SB0598_SAVINGS_Act_FAV.pdf
Uploaded by: Cecilia Plante
Position: FAV

TESTIMONY FOR SB0598
Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

Bill Sponsor: Senator Hester
Committee: Education, Energy, and the Environment
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in favor of SB0598 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Our members appreciate this bill. The electric companies in this state have done nothing but make bad decisions and greedy decisions for decades, all at the expense of their rate payers. SOMEONE has to take control of this situation.

This bill, if enacted, would require all electric companies to submit cost containment plans on or before January 2027 and ever three years after that. The plans must be specific in terms of minimizing capital expenditures, improving reliability and achieving operational and planning optimization. It also should specify how the electric company is coordinating their investments that is most cost effective to rate payers. The plans should combine to reduce the utility's peak electric system load by at least 20% from 2025 levels by 2030.

The Public Service Commission will review the plans and approve them, or send them back to the electric companies to be 'cured' of deficiencies. Once the plans are approved, the electric companies must submit progress reports to show how they are meeting their goals. If they do not meet their approved goals, the Public Service Commission may

- impose one or more fines
- reduce the electric company's return on equity
- fully or partially deny the electric company's cost recovery for implementing the approved cost containment plan.

This is perfect. We strongly support this bill and recommend a **FAVORABLE** report in committee.

SB598_IndivisibleHoCoMD_FAV_Konny.pdf
Uploaded by: Crystal Konny
Position: FAV

SB598

Electric Companies – Cost Containment Plans – Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

Testimony before Senate Education, Energy, and the Environment Committee
March 5, 2026

Position: Favorable

Dear Chair Feldman, Vice Chair Kagan, and members of the committee, my name is Crystal Konny, and I represent the 1700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today **in support of SB598**. This bill requires electric companies to submit cost containment plans for electric distribution and transmission system planning to the Public Service Commission (PSC), to plan for reducing peak electric system loads, and to submit progress reports on the implementation of the plans. We thank Senator Hester for introducing this bill.

The bill, in general, attempts to make electric companies responsible for planning to contain electric costs. I live in the BGE service area. As everyone in this area is fully aware, costs have really skyrocketed much faster than even the general inflation rate. We need legislation to bring costs down because BGE currently has no incentive to be efficient and effective with their project selection and management.

The bill will reduce utility spending on grid infrastructure and encourage advanced energy solutions to reduce the costs of future grid infrastructure improvements. Electric companies will have to create a cost benefit analysis and get it reviewed and approved by PSC. That means someone will finally be looking out for Marylanders and putting a stop to wasteful utility company spending that is then passed on to consumers.

And the bill will reduce the chance of blackouts and brownouts, a relief to all, especially those that rely on electricity for health reasons.

For all of these reasons, we urge you to pass SB598. Marylanders need relief from the high cost increases utility companies are charging.

We respectfully urge a favorable committee report.

Crystal Konny
Columbia, MD 21044
District 12A

Testimony SAVINGS Act DAC Favorable SB598.pdf
Uploaded by: Debbie Cohn
Position: FAV

Committee: Education, Energy and the Environment
Testimony on: SB0598 - Electric Companies - Cost Containment Plans - Requirement (SAVINGS Act)
Submitting: Deborah A. Cohn
Position: Favorable
Hearing Date: March 5, 2026

Dear Chair Feldman, Vice Chair Kagan and Committee Members:

I am urging this Committee's support of SB0598, the SAVINGS Act, need to contain rapid increases in electricity costs for Maryland residents and businesses. While many factors are contributing to these increases, one significant factor is the tremendous investment that will be needed to modernize the electric distribution and transmission grid to ensure grid reliability. The SAVINGS Act will help ensure that electric companies take advantage of newer grid and demand management technologies to minimize these capital investments, and thus provide cost savings to customers, while improving grid stability and reliability.

SB0598 requires electric companies to submit to the Public Service Commission (PSC) cost containment plans for electric distribution and transmission system planning on or before January 1, 2027, and every three years thereafter, and to submit progress reports on the implementation of the plans. These progress reports will push utilities to implement cost-effective advanced energy solutions to reduce the costs of future grid infrastructure improvements and meet a measurable peak load reduction goal by 2030. The PSC will have the option to impose penalties on electric utilities that fail to meet the goal.

The bill will reduce electric company spending on grid infrastructure, push down electricity supply prices, and reduce the risk of blackouts or brownouts on the electric grid.

Cost-saving advanced energy solutions can include a variety of technologies. These technologies include grid-enhancing technologies (i.e., sensors to calculate the maximum electricity flow allowed on a line based on real-time weather conditions; devices that allow grid operators to direct electricity flows to avoid congested areas of the grid; and software technology that allows grid operators to reroute power flows to avoid congested areas); advanced conductors (i.e., modern cable technology that increases line capacity up to two-fold), as well as managing or storing energy.

As of June 2025, delivery plus transmission costs for Maryland's electric investor-owned utilities (IOUs) made up between 23% and 50% of a typical customer's monthly electricity bill. Since at least 2010, most Maryland IOU electric delivery costs have risen at a rate that is more than double, or even triple, that of inflation.[1] The SAVINGS Act will address these price pressures by requiring cost containment plans to implement cost-effective strategies to reduce capital expenditures on infrastructure.

The SAVINGS Act will save money on grid infrastructure spending going forward. Incorporating affordable advanced energy technologies will bring down the upfront costs of necessary improvements. A required cost-benefit analysis and the PSC's approval process will create a safeguard to ensure that

[1] A Consumer's Guide to Summer 2025 Electric Rates, Maryland Office of People's Counsel, June 12, 2025, https://opc.maryland.gov/Portals/0/Files/Publications/Summer%202025%20Electric%20Rates%20Factsheet%206-12-25.pdf?ver=qxWLUqoC7bf6EX1Y8ARbAA%3d%3d

any grid construction by Maryland electric companies will be designed to take advantage of cost saving opportunities that benefit ratepayers.

For these reasons, I urge this committee to issue a FAVORABLE report on the SAVINGS Act.

SB0598-SavingsAct- FAV - EEE - HoCoClimateAction
Uploaded by: HoCo Climate Action Organization
Position: FAV

HoCoClimateAction.org
Howard County, Maryland

Testimony: **SB0598 -- Electric Companies - Cost Containment Plans - Requirement (SAVINGS Act)**
Committee: **Education, Energy and the Environment**
Hearing Date: **March 5, 2026**
Bill Sponsor: **Senator Hester**
Committee: **Education, Energy and the Environment**
Submitting: **Ruth White for Howard County Climate Action**
Position: **Favorable**

Dear Chair Feldman, Vice Chair Kagan and Committee Members,

HoCo Climate Action is a 350.org local chapter and a grassroots organization representing approximately 1,400 subscribers. We are also a member of the Climate Justice Wing of the Maryland Legislative Coalition. Our organization works with residents and ally organizations to promote a safe climate and clean energy future. Specifically, we have worked extensively on clean energy and on building electrification to help Maryland achieve its ambitious climate goals, including net-zero emissions.

Thank you for allowing our testimony today in strong support of SB0598, the Savings Act. This bill requires electric companies to submit to the Public Service Commission (PSC) cost containment plans for electric distribution and transmission system planning on or before January 1, 2027, and every three years thereafter, and to submit progress reports on the implementation of the plans.

SB0598 is important to Maryland residents because it will reduce utility spending on grid infrastructure, put downward pressure on electricity supply prices, and reduce the risk of blackouts or brownouts on the electric grid. Its key provisions will require each electric utility to create a cost containment plan for PSC approval, implement cost-saving advanced energy solutions to reduce the costs of future grid infrastructure improvements, and meet a measurable, time-bound peak load reduction goal. The PSC will have the option to impose penalties on electric utilities that fail to meet the goal.

Cost-saving advanced energy solutions can include a variety of technologies. These technologies include grid-enhancing technologies (i.e., sensors to calculate the maximum electricity flow allowed on a line based on real-time weather conditions; devices that allow grid operators to direct electricity flows to avoid congested areas of the grid; and software technology that allows grid operators to reroute power flows to avoid congested areas); advanced conductors (i.e., modern cable technology that increases line capacity up to two-fold), as well as managing or storing energy.

The SAVINGS Act will address the problem of a utility bill's electricity delivery costs, which include, among other things, capital expenditures that utilities invest in poles, wires, transformers, and other equipment. As of June 2025, delivery plus transmission costs for Maryland's electric investor-owned utilities (IOUs) made up anywhere from 23% to 50% of a typical customer's monthly electricity bill.

The SAVINGS Act will save money on grid infrastructure spending going forward. Incorporating affordable advanced energy technologies will bring down the upfront costs of necessary improvements. A required cost-benefit analysis and the PSC's approval process will create a safeguard to ensure that before any construction begins utilities will be saving money for ratepayers.

For these reasons, we urge this committee to issue a FAVORABLE report on SB0598.

Howard County Climate Action
Submitted by Ruth White,, Steering and Advocacy Committee
www.HoCoClimateAction.org
HoCoClimateAction@gmail.com

SB 598 Securing Affordable, Valuable Investments i

Uploaded by: Humna Sharif

Position: FAV

The Nature Conservancy
Maryland/DC

Tuesday March 3, 2026

TO: Brian Feldman, Chair of the Education, Energy, and the Environment Committee, and Committee Members
FROM: Humna Sharif, Climate Adaptation Director, The Nature Conservancy; Michelle Dietz, Director of Government Relations, The Nature Conservancy
POSITION: Support SB 598 Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

The Nature Conservancy (TNC) supports SB 598 offered by Senator Hester. TNC's mission is to conserve the lands and waters on which all life depends. We work in more than 70 countries and all 50 states in the United States. With the support of more than one million members globally, TNC has been working to conserve, protect, and restore ecosystems and species for nearly 75 years around the world.

Climate change threatens to undo decades of our successful conservation work and fundamentally alter our future. TNC is committed to helping reduce global greenhouse gas emissions to limit global warming to no more than 1.5° Celsius above pre-industrial temperatures. This goal cannot be achieved without a rapid transition to a clean energy economy. A clean energy future will require a different approach to energy and transmission planning and procurement and a predictable and flexible energy system. Modifying the current approach is essential to the well-being of nature, our economy, our communities, and our planet.

SB 598 would allow Maryland to make critically needed efficiency improvements to our grid and help lower Marylanders' electricity cost. Under this bill, starting on January 1, 2027, and every 3 years thereafter, electric companies will be required to submit to the Public Service Commission (PSC) Cost Containment Plans for electric distribution and transmission system planning. These Cost Containment Plans are to include solutions that avoid or minimize capital expenditures, including all non-wires solutions and distributed energy resource integration strategies.

SB 598, similar to HB40/SB201 and SB386/HB897 introduced this session, elevates the role of Advanced Transmission Technologies (ATTs) and Grid Enhancement Technologies (GETs) in securing reliable and cost-effective electricity. SB 598 defines ATTs as being inclusive of: Grid–Enhancing Technologies (GETs), High–Performance Conductors, and Storage used as Transmission. GETs are further defined to include Dynamic Line Rating, Advanced Power Flow Control, Topology Optimization, and Energy Storage used as Distribution or Transmission.

As our state's energy demand grows, and as more renewable energy, and distributed energy sources are connected to the grid, the traditional vertically integrated system design is no longer sufficient to meet Maryland's energy needs. Including ATTs and GETs in existing and new transmission lines can unlock our grid's potential to deliver safe, reliable and clean power to Marylanders in a more cost-effective way.

TNC recognizes that Maryland needs new transmission solutions to power the future and that planning, siting and constructing high-voltage transmission lines is a time-consuming process, requiring thoughtful planning and analysis. New transmission lines can take up to 10 years to build,[1] but Marylanders are facing the pressure of rising energy bills now. In the near term, ATTs and GETs are tools we can use to ensure we're getting the most out of the grid we have.

Our state's energy troubles are not unique; many other states are stepping up to the challenge with legislation similar to SB 598 that offer alternatives to expand grid capacity in the time it takes to construct new power lines. For example, in 2024, Maine passed LD 589 requiring a review every five years of available GETs that could be newly implemented by utilities to reduce the need for investment in grid infrastructure.[2] California passed SB 1006 in 2024 requiring that each transmission utility prepare a biennial feasibility study of projects using GETs to achieve increased capacity to connect new renewable energy and zero-carbon resources to the grid.[3] Utah passed HB 212 in 2025 to promote the use of GETs that reduce energy waste and save consumers money by optimizing the existing transmission system.[4] RMI's 2024 Getting Connected in PJM analysis demonstrated that GETs deployment in five PJM states (Illinois, Indiana, Ohio, Pennsylvania, and Virginia) could accelerate interconnection of 6.6 gigawatts of new generation, saving PJM customers more than $1 billion annually.[5]

TNC recognizes Maryland's need to support grid modernization strategies that use the latest technologies to meet our state's growing energy demand. It is imperative that utilities upgrade our grid efficiently, cost-effectively, and as rapidly as possible, while also protecting sensitive ecosystems and ensuring community buy-in during the process. TNCs encourages the state to adopt a diverse approach that is inclusive of ATTs and GETs in providing relief to Marylanders. We commend Senator Hester for introducing the legislation and advancing smart and cost-effective energy policy in Maryland. **Therefore, we urge a favorable report on SB 598.**

1Utah passes legislation to deploy Grid-Enhancing Technologies | National Caucus of Environmental Legislators. (2025, April 22). National Caucus of Environmental Legislators. https://ncelenviro.org/articles/utah-passes-legislation-to-deploy-grid-enhancing-technologies/

[2] LD 589, SP 257, Text and Status, 131st Legislature, second regular session. (n.d.). https://legislature.maine.gov/legis/bills/display_ps.asp?LD=589&snum=131

[3] Bill Text - SB-1006 Electricity: transmission capacity: reconductoring and grid-enhancing technologies. (n.d.). https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1006

[4] HB0212. (n.d.). https://le.utah.gov/~2025/bills/static/HB0212.html

[5] Mulvaney, K., Siegner, K., Teplin, C., Toth, S., & Rocky Mountain Institute. (2024). GETting interconnected in PJM. In RMI. https://rmi.org/wp-content/uploads/dlm_uploads/2024/02/GETs_insight_brief_v3.pdf

Senate SAVINGS Act Testimony .pdf
Uploaded by: Jamie DeMarco
Position: FAV

TESTIMONY OF
BRITTANY BAKER
MARYLAND DIRECTOR
—-
JAMIE DEMARCO
LOBBYIST
—-
MIKE TIDWELL
EXECUTIVE DIRECTOR

SB598- SAVINGS ACT
FAVORABLE
EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
MARCH 5TH, 2026

Chair Feldman, Vice-Chair Kagan, and members of the EEE Committee,

We urge a favorable report on SB598.

Traditionally, increasing electricity demand has necessitated building new transmission lines, substations, and other capital intensive infrastructure upgrades to the grid. Today, Advanced Transmission Technologies, if fully deployed, have the potential to increase the transmission and distribution capabilities of our grid for a fraction of the price. These small, simple tools can be deployed quickly and cost effectively on the existing grid to increase grid capacity.

Unfortunately, utilities are incentivized not to use Advanced Transmission Technologies precisely because they are so cost effective. Utilities make their profit through interest earned on large capital investments. The more expensive the new transmission line is, the more money the utility will make. As a result, the newest, most cost effective tools for getting the most out of our grid are chronically underutilized.

To work against this utility incentive mis-alignment, the SAVINGS act requires each utility to submit a plan to the PSC on a regular basis describing how the utility plans to deploy grid enhancing technologies to avoid more expensive grid upgrades. Small increases to grid efficiency can prevent the need to build a new transmission line or substation and save ratepayers a lot of money.

Specifically, utilities will be required to reduce their peak electricity demand 20% by 2030. This reduction in peak demand will make room on the grid for growing electrical demand from large load users. An electrical grid is built for the highest demand hour of the highest demand day of the year. By shifting energy demand away from peak hours, the SAVINGS Act reduces the need for major grid upgrades that would have been needed to accommodate a higher peak demand load.

Utilities will have a real incentive to hit the requirements set forward in the SAVINGS Act. If they fail to achieve requirements put forward in the SAVINGS Act, the PSC is authorized to reduce their rate of return, impose fees, or deny cost recovery to the utilities.

Giving the utilities a requirement to reduce peak demand using grid enhancing technologies and providing the PSC with the necessary tools to ensure utilities achieve those requirements will lower energy bills for everyone.

We urge a favorable report on SB598

Ceres Testimony SB598 - SAVINGS Act.pdf
Uploaded by: Jeff Mauk
Position: FAV

SB598 – SUPPORT
Jeff Mauk
Ceres
jmauk@ceres.org

TESTIMONY SUPPORTING SB598:
Electric Companies – Cost Containment Plans – Requirement
(Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

Senate Education, Energy, and the Environment Committee
March 5th, 2026

Dear Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and Environment Committee;

I write today on behalf of Ceres to respectfully urge a favorable report from the Committee on SB598, the SAVINGS Act. Ceres is a nonprofit organization that works with investors, companies, and financial leaders to promote sustainability solutions. Through our Business for Innovative Climate and Energy Policy Network (BICEP), we assist over 80 major employers, including several companies doing business in MD, to advocate for more affordable and sustainable climate and clean energy policies.

SB598 represents precisely the kind of forward-thinking policy that businesses need to reduce operating costs, enhance predictability in energy expenses, and accelerate Maryland's clean energy transition. Our support for this bill rests on three fundamental principles: cost containment drives competitiveness, grid modernization creates economic opportunity, and peak demand reduction delivers measurable returns.

Economic Benefits of Cost Containment Planning
Electric system planning has historically prioritized infrastructure expansion through capital-intensive transmission and distribution investments. This approach consistently drives rate increases that burden Maryland businesses, particularly energy-intensive manufacturers, data centers, food processors, and small commercial enterprises operating on narrow margins. By requiring electric companies to develop comprehensive cost containment plans that prioritize alternatives to traditional infrastructure buildout, SB598 fundamentally reorients utility planning toward economic efficiency.

The economic logic is straightforward. When utilities can meet system needs through demand flexibility, grid-enhancing technologies, and distributed energy resources rather than building new substations and transmission lines, the cost differential can be dramatic. Advanced transmission technologies like dynamic line rating and topology optimization increase existing infrastructure capacity by 15-40 percent at a fraction of the cost of new construction. Virtual power plants aggregate customer-sited resources to provide grid services at costs 40-60 percent lower than peaking generation.

Moreover, the bill's requirement that cost containment plans reduce peak electric system load by 20 percent from 2025 levels by 2030 directly addresses the primary driver of utility infrastructure costs. System peak demand determines the size and scale of generation, transmission, and distribution infrastructure that must be built and maintained. Reducing peak demand by 20 percent means avoiding billions of dollars in infrastructure investment while simultaneously improving grid reliability. This is not cost-shifting; this is eliminating costs entirely through smarter resource utilization.

Business Certainty and Investment Predictability

Maryland businesses make long-term capital investment decisions based on projected operating costs, including energy expenses. Unpredictable utility rate increases create planning uncertainty that discourages business expansion and new facility development. SB598 enhances business certainty in three critical ways.

- First, the three-year planning cycle creates transparency in utility cost management strategies. Businesses will be able to assess utility plans alongside their own capital budgets and make informed decisions about energy management investments.
- Second, the bill's clear goal of 20 percent peak load reduction establishes a benchmark that businesses can incorporate into their own energy planning.
- Third, by mandating Public Service Commission review and approval of cost containment plans, the legislation creates accountability that protects businesses from utility plans that prioritize revenue growth over ratepayer value.

This predictability is particularly valuable for businesses considering facility electrification. Many Maryland companies are evaluating electrification of industrial processes, fleet vehicles, and building systems to meet corporate sustainability commitments and prepare for future carbon regulations. SB598's emphasis on grid flexibility-enabled building

electrification paired with demand flexibility programs creates the policy foundation that makes these investments economically sound.

Market Opportunities in Grid Modernization

SB598 catalyzes economic development opportunities in emerging energy technology sectors. The bill's comprehensive definition of cost containment solutions—including advanced transmission technologies, automated load management, demand flexibility, flexible interconnection, grid-enhancing technologies, and virtual power plants—creates market demand for sophisticated energy technology and services.

Maryland already hosts growing cleantech clusters in distributed energy resources, energy management software, and grid optimization technologies. Requiring utilities to prioritize these solutions in system planning expands market opportunities for Maryland businesses providing these technologies and services. The economic multiplier effects extend beyond technology providers to include engineering firms, energy service companies, workforce training programs, and financing institutions.

Conclusion

The business community benefits from reduced energy costs, enhanced planning certainty, expanded market opportunities in energy technology sectors, and improved regional coordination that optimizes infrastructure investments. These are not competing objectives—they are mutually reinforcing elements of a comprehensive approach to utility system planning that serves ratepayer interests while supporting Maryland's economic competitiveness.

Ceres urges the Committee to give Senate Bill 598 a favorable report. We welcome the opportunity to work with the Committee, utility stakeholders, and the Public Service Commission to ensure successful implementation of this important legislation.

Respectfully submitted,

Jeff Mauk
Director, State Policy, Eastern Region, Ceres

SB598_FAV_EconAction.pdf
Uploaded by: Jennifer Bevan-Dangel
Position: FAV

SB598: Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

Position: Favorable

March 5, 2026

The Honorable Brian J. Feldman, Chair
Education, Energy and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Feldman and members of the Committee,

Economic Action Maryland Fund urges a favorable report on SB598, which would help reduce energy costs to ratepayers long-term by reducing spending on grid infrastructure, and improve service and reliability for ratepayers by reducing the chance of brownouts or blackouts.

As the members of this committee are painfully aware, energy rates have risen dramatically in recent years due to a variety of factors. Thousands of Marylanders each year face shutoff notices due to nonpayment, while many others are forced to juggle multi-hundred-dollar utility bills alongside the ever-increasing costs of rent, groceries, and other necessities. In fact, when Economic Action Maryland Fund surveyed our members and other stakeholders this winter, 63% stated utility bills were their primary concern.

Maryland did not arrive at the current energy price crisis overnight, and we will not fix this crisis easily or quickly. This legislation would move the state towards affordability by creating cost containment plans including peak-load reduction goals. Grid infrastructure investments are a major cause of rising energy bills. By deploying advanced energy solutions, utility companies can respond to infrastructure needs more quickly with less capital investment, building on existing infrastructure.

Studies from New York and Atlantic City have demonstrated the potential for significant cost-savings from this approach.[1] And by mandating the PSC approval process include the cost-savings analysis, this legislation can ensure that the promise of savings becomes a reality.

For these reasons, we urge a favorable report on SB598.

Sincerely, Jennifer Bevan-Dangel, Deputy Director

[1] "New York's Grid Flexibility Potential." Brattle for NYSERDA and NY Dept. of Public Service. "Cost-Benefit Analysis of Electric Distribution Investments." Brattle for Atlantic City Electric.

2209 Maryland Ave · Baltimore, MD 21218 | www.econaction.org
Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

SB598_mdsierraclub_fav-5Mar2026.pdf
Uploaded by: Josh Tulkin
Position: FAV

SIERRA CLUB
MARYLAND CHAPTER

P.O. Box 278
Riverdale, MD 20738

Committee: Education, Energy and the Environment
Testimony on: SB598 – The SAVINGS Act
Position: Support
Hearing Date: March 5, 2026

The Maryland Chapter of the Sierra Club urges a favorable report for SB 598, the SAVINGS Act. This bill requires utilities to create three-year cost containment plans, which would reduce utility spending on grid infrastructure, put downward pressure on electricity prices, and increase grid reliability. As families across the state are struggling to pay their rising electricity bills, this bill could contribute meaningfully to curbing these costs.

Since 2010, electricity delivery costs for Maryland's Investor Owned utilities have risen dramatically, increasing at a rate that is more than double that of inflation[1]. Delivery costs are the costs related to delivering electricity from a powerplant to a home or business, including capital expenditures that utilities make in poles, wires, transformers, and other equipment. These infrastructure investments are added to the rate base where they are provided a high rate of return, meaning that utilities are incentivized to invest in such large capital projects even when more cost effective solutions are available.

SB 598 helps address rising delivery costs by requiring each electric utility to create three-year cost containment plans and submit them to the PSC. The bill details several requirements of these plans which would reduce costs for ratepayers, including:

- A description of how the utility will leverage cost-saving advanced energy solutions, including Grid Enhancing Technologies—hardware and software upgrades that improve the operation, capacity, and reliability of existing transmission infrastructure without requiring additional major infrastructure investments. These technologies can significantly reduce the costs of grid infrastructure improvements, costs that are borne by ratepayers[2,3].
- A plan for coordinating distribution system investments with transmission system planning in the PJM region in a manner that reduces costs for ratepayers

To help ensure results, this bill puts time-bound targets on reducing peak electric system loads, requiring that cost-containment plans reduce the utility's peak load by at least 20% from 2025 to 2030, and gives the PSC the authority to impose penalties on electric utilities that fail to meet these goals.

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[1] State of Maryland Office of the People's Counsel: *A Consumer's Guide to Summer 2025 Electric.* (June 12, 2025). *Rates* https://opc.maryland.gov/Portals/0/Files/Publications/Summer%202025%20Electric%20Rates%20Factsheet%206-12-25.pdf?ver=qxWLUqoC7bf6EX1Y8ARbAA%3D%3D

[2] Clean Air Task Force: *New CATF/Brattle report identifies untapped solutions to address rising electricity demand and avert grid bottlenecks* (July 22, 2025). https://www.catf.us/2025/07/new-catf-brattle-report-identifies-untapped-solutions-address-rising-electricity-demand-avert-grid-bottlenecks/

[3] World Resources Institute: *How Advanced Transmission Technologies Can Revamp the Aging US Power Grid* (July. 10, 2025). https://www.wri.org/insights/advanced-transmission-technologies-us-power-grid/

SIERRA CLUB
MARYLAND CHAPTER

P.O. Box 278
Riverdale, MD 20738

As electricity delivery costs continue to rise, increasing the strain of high energy bills on Maryland families, this is a critical moment for the legislature to take action to reduce this burden. In reining in utility costs through cost containment plans, SB 598 can be part of this solution. We urge a favorable report.

Matt Sehrsweeney
Climate Campaign Representative
matt.sehrsweeney@mdsierra.org

Josh Tulkin
Chapter Director
Josh.Tulkin@mdsierra.org

SB0598–Electric Companies Cost Containment Plans-R

Uploaded by: Karl Held

Position: FAV

CLIMATE COALITION
Montgomery County, MD

Testimony on:	**SB0598 - Electric Companies - Cost Containment Plans - Requirement (SAVINGS Act)**
Committee:	**Education, Energy and the Environment**
Organization:	**Climate Coalition Montgomery County**
Submitting:	**Karl Held**
Position:	**Favorable**
Hearing Date:	**March 5, 2026**

Dear Chair Feldman, Vice Chair Kagan, and Committee Members:

Thank you for allowing our testimony today in strong support of SB0598, the SAVINGS Act. The Climate Coalition Montgomery County, a group of 20 local organizations whose mission is to lead action on climate change, advance a sustainable and just economy, and build resilience in the face of environmental, social and economic disruption. We urge you to vote favorably on SB0598.

This bill requires electric companies to submit to the Public Service Commission (PSC) cost containment plans for electric distribution and transmission system planning on or before January 1, 2027, and every three years thereafter, and to submit progress reports on the implementation of the plans.

SB0598 is important to Maryland residents because it will reduce utility spending on grid infrastructure, put downward pressure on electricity supply prices, and reduce the risk of blackouts or brownouts on the electric grid. Its key provisions will require each electric utility to create a cost containment plan for PSC approval, implement cost-saving advanced energy solutions to reduce the costs of future grid infrastructure improvements, and meet a measurable, time-bound peak load reduction goal. The PSC will have the option to impose penalties on electric utilities that fail to meet the goal.

Cost-saving advanced energy solutions can include a variety of technologies. These technologies include grid-enhancing technologies (i.e., sensors to calculate the maximum electricity flow allowed on a line based on real-time weather conditions; devices that allow grid operators to direct electricity flows to avoid congested areas of the grid; and software technology that allows grid operators to reroute power flows to avoid congested areas); advanced conductors (i.e., modern cable technology that increases line capacity up to two-fold), as well as managing or storing energy.

The SAVINGS Act will address the problem of a utility bill's electricity delivery costs, which include, among other things, capital expenditures that utilities invest in poles, wires, transformers, and other equipment. As of June 2025, delivery plus transmission costs for Maryland's electric investor-owned utilities (IOUs) made up anywhere from 23% to 50% of a typical customer's monthly electricity bill. Since at least 2010, most Maryland IOU electric delivery costs have risen at a rate that is more than double, or even triple, that of inflation.[1]

Studies from New York and New Jersey provide two illustrative examples of how much energy and money the SAVINGS Act could save. A study for the New York State Energy Research and Development Authority (NYSERDA) and the New York Department of Public Service estimated that New York could reduce their winter peak demand by 8.5 GW, or 21%, by 2040.[2] This could result in $2.9 billion (in 2024 dollars) in annual savings in New York by 2040, of which $2.4 billion could be returned to customers. A study for Atlantic City Electric (ACE) in New Jersey estimated that $325.1 million of investments over five years would yield $760.5 million in benefits over 20 years, in real-discounted dollars.[3]

The SAVINGS Act will save money on grid infrastructure spending going forward. Incorporating affordable advanced energy technologies will bring down the upfront costs of necessary improvements. A required cost-benefit analysis and the PSC's approval process will create a safeguard to ensure that before any construction begins utilities will be saving money for ratepayers.

For these reasons, we urge this committee to issue a FAVORABLE report on SB0598.

1. A Consumer's Guide to Summer 2025 Electric Rates, Maryland Office of People's Counsel, June 12, 2025, https://opc.maryland.gov/Portals/0/Files/Publications/Summer%202025%20Electric%20Rates%20Factsheet%206-12-25.pdf?ver=qxWLUqoC7bf6EX1Y8ARbAA%3d%3d
2. New York's Grid Flexibility Potential, Brattle for NYSERDA and NY Dept. of Public Service, Feb. 5, 2025, https://www.brattle.com/insights-events/publications/brattle-experts-conduct-a-study-to-determine-new-yorks-grid-flexibility-potential-in-2030-and-2040/
3. Cost-Benefit Analysis of Electric Distribution Investments, Brattle for Atlantic City Electric, Oct.31, 2022, https://www.brattle.com/insights-events/publications/cost-benefit-analysis-of-electric-distribution-investments/

Savings Act Written Testimony.pdf
Uploaded by: Katie Fry Hester
Position: FAV

SB 598: SAVINGS Act

Securing Affordable, Valuable Investments in Next Generation Grid Solutions

Testimony of Senator Katie Fry Hester
March 5, 2026

What problem will the SAVINGS Act address?

- Transmission and Distribution (T&D) are a significant part of your electricity bill, and distribution rates have been far outpacing inflation for a long time.

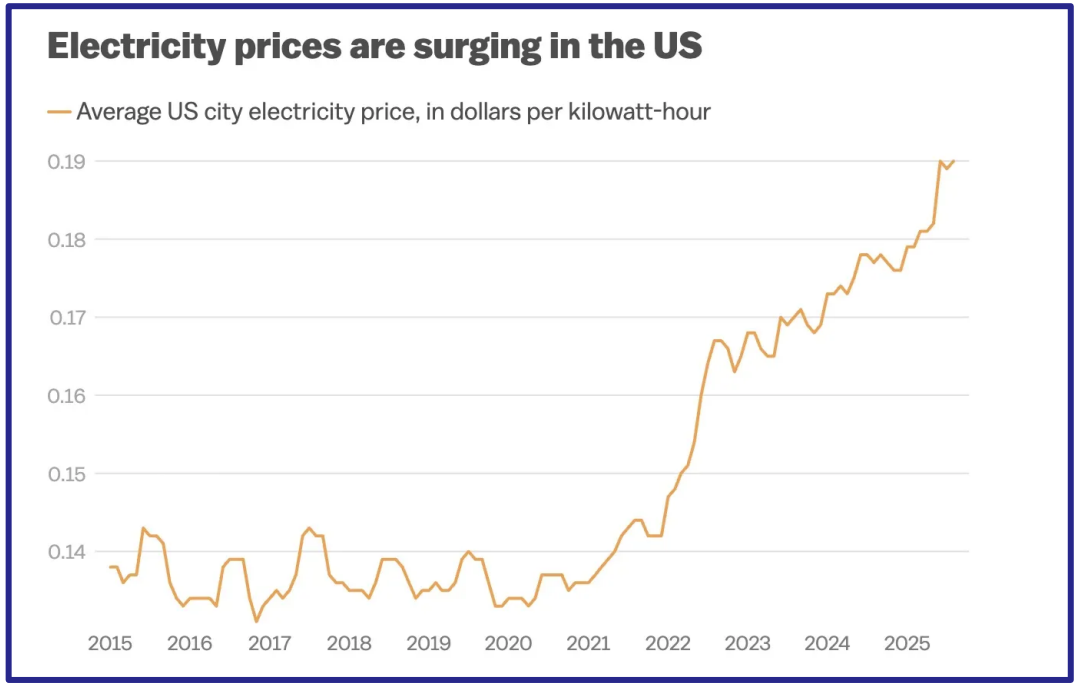
- With increased electrification – such as switching from gas furnaces to heat pumps and EV adoption, plus projected load growth from data centers – it is critical that we ensure necessary upgrades are done as cost-effectively as possible.

Distribution Rates, 2010-2025

- Inflation January 2010 – June 2025: 49%
- Increase in distribution rates per kWh, 2010 – June 2025:
  - Potomac Edison: 35%
  - BGE: 100%
  - DPL: 125%
  - Pepco: 154%

Sources:

- *U.S. Bureau of Labor Statistics' CPI Inflation Calculator.*
- *"A Consumer's Guide to 2025 Summer Electric Rates." OPC.*



Monthly household charges for 1,000 kWh

Utility	Electricity Supply	Transmission & Distribution
Potomac Edison	$98	$33
BGE	$102	$82.65
DPL	$99	$101.43
Pepco	$104	$120.44

In 2022, the average U.S. residential customer used 899 kWh/month (EIA). These numbers are current for residential customers as of June 12, 2025 (OPC).

Big-picture, what will the SAVINGS Act do?

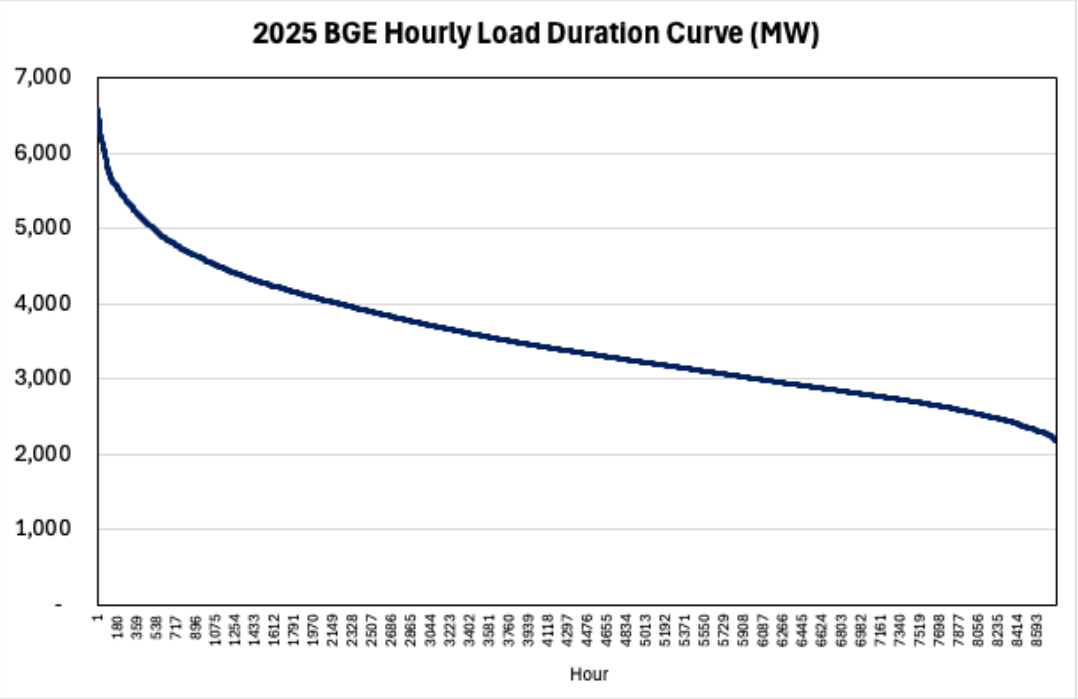
- Electric utilities will create Cost Containment Plans (CCPs) to make necessary improvements to their Distribution (and when applicable, Transmission) systems as cost-effectively as possible. These plans must include:
  - How they plan to provide meaningful savings, using the PSC cost benefit framework
  - List what they are currently doing to contain costs and lower peak demand through existing programs and coordinate transmission and distribution planning
  - Include annual progress reports on the plans to the PSC
- The PSC will approve, deny, or conditionally approve the plans.
- If utilities do not meet a statutory, time-bound, measurable peak demand reduction goal by its deadline, the PSC will have the discretion to decide whether to impose a penalty.

How will the CCPs align with Electric System Planning?

- The PSC just competed regulations following the distribution system planning (DSP) workgroup.
- The outputs from DSP (now Electric System Planning or ESP) will inform the CCPs. (CCPs can also pull in relevant information from other proceedings/programs/plans/etc.)
- The requirement that Commission approve or deny CCPs give more teeth to ESPs.
- We are discussing amendments to clarify that PSC has the option to choose to incorporate CCPs into the ESP or vice versa, as they see fit.

Why is the plan tied to peak load?

- By necessity, our T&D systems are designed to meet peak demand. When we lower peak demand, we need to build less infrastructure.
- Peak demand is driven by a very small number of hours the “tail” in the load duration curve that causes system stress.



These few hours drive infrastructure costs, capacity payments, long-term capital investments. By clipping these, you unlock most of the savings.

What is the potential to reduce peak demand?

A February 2026 study evaluated the entire PJM region. If we roughly double advanced energy deployment by 2035 we can:

- Offset that projected data center load growth
- Reduce peak load by 17% by 2030 and 22% by 2035
- **Save $178 billion by 2035**

What technologies reduce peak demand?

- **Grid-side:** High-performance conductors (HPCs): Transmit more electricity than legacy conductors.
- **Grid-side:** Grid-Enhancing Technologies (GETs): A family of technologies that manage the flow of electricity in response to real-time conditions on the transmission system, to maximize efficiency.
- **Customer-side:** Technologies that manages how much electricity a customer is using and when. Examples: smart thermostats, smart appliances, managed EV charging.
- **Customer-side:** Customer-sited distributed generation.
- **Either:** Battery storage, including bidirectional EV charging.

Maryland's potential to reduce peak demand

Direct Load Control

- The peak demand reduction capability from direct load control* as of December 31, 2024 is 568.8 MW from 670,840 customers.
- About 2 million Maryland customers do not yet have a direct load control device.
- If those 2 million customers received a direct load control device and saved the same amount of energy as in 2024, peak load could reduce by approximately another 1,695 MW.

Rooftop Solar

- Maryland has the potential to generate 416,000 MW of electricity from rooftop solar (Project Sunroof).
- Maryland only has 2,724 MW of solar installed (SEIA).
- By 2030, it is projected Maryland will add another 2,349 MW of solar (SEIA).
- 6.21% of Maryland homes have solar (SEIA).

*Direct load control refers to smart switches on heating and cooling systems, and/or to smart thermostats

Examples

Con Edison, New York City	In 2014, Con Edison deferred a $1.2 billion substation upgrade by instead implementing a portfolio of solutions. By 2017, they had spent $70 million and lowered peak demand 38.6 MW.
NYSERDA & NY Department of Public Service	New York State could use a portfolio of solutions to result in $2.9 billion in annual savings by 2040. Most of the savings would be in avoided costs.
Massachusetts Department of Energy Resources	Leveraging demand flexibility, energy efficiency, and virtual power plants can reduce peak demand 4.5 GW by 2040 and 13.8 GW by 2050. Achieving these reductions would save customers $950 million by 2040 and $4.8 billion by 2050.
Pennsylvania Public Utility Commission	The study proved the financial viability of these programs; projecting estimated a net present value of $43 million for consumers.

Support the SAVINGS Act

- We must do everything possible this year to bring down costs.
- This solution can be implemented quickly advanced energy technologies can deploy faster than building new infrastructure.
- This directly reduces infrastructure costs AND helps lower wholesale energy prices.
- We need a clear, quantified goal with a firm deadline to be our north star.
- By definition, a Cost Containment Plan will only be approved if it demonstrably contains costs.

2026.03.05_SB0598_FAV_Katie Mettle_Advanced Energy

Uploaded by: Katie Mettle

Position: FAV

March 5, 2026

Energy, Education, and Environment Committee

Securing Affordable, Valuable Investments in Next-Generation Grid Solutions (The SAVINGS Act)

SB 598
Sponsor: Senator Katie Fry Hester

Katie Mettle
Policy Principal, Advanced Energy United

FAVORABLE

Dear Chair Feldman, Vice Chair Kagan, and esteemed members of the Energy, Education, and Environment Committee:

Marylanders, and indeed Americans across the country, are in a pickle: We're watching energy bills shoot up with alarming speed – and it seems to many folks like this is happening out of nowhere.

You've sat through hours of presentations on why this is, and on how to fix the problem. You've been emailed hundreds of pages of PowerPoint slides, bar graphs, line graphs, pie charts, tables, and maps. You don't need me to rehash the details.

Here's the bottom line:

1. The cost of electricity can be divided into:
    a. The cost of energy itself, which is going up;

    b. The cost of capital expenditures to build and upgrade the grid, which is also going up in many service territories.
2. We need more energy supply. The faster and cheaper, the better. Solar paired with battery is the fastest way to do this, and solar is the cheapest form of energy generation.
3. We need to build and upgrade transmission and distribution as cost-effectively as possible. And, you guessed it – the faster we can get this done, the sooner ratepayers will see relief.

The SAVINGS Act has three major beats:

1. Electric utilities will be required to submit cost containment plans to the Public Service Commission (PSC) for approval. Plans must provide meaningful savings for ratepayers and be evaluated according to the PSC's unified cost-benefit analysis framework.
2. The utilities must reach a time-bound, measurable goal for peak load reduction. We've written 20% below 2025 levels by 2030.
3. If a utility does not meet the goal, the PSC has the option of penalizing the utility.

Lowering peak demand means we'll need less electricity supply. That will place downward pressure on wholesale electricity market prices. It will also lower the risk that we will not have sufficient generation to meet demand during extreme events, such as heatwaves. Lowering peak demand also creates avoided costs – meaning it will reduce the cost and amount of capital expenditures that we need to maintain a reliable and resilient grid.

Here's an example: Con Edison, the largest utility in New York City, deferred a $1.2 billion substation upgrade between 2014 and 2018. They did this by spending $200 million on customer-sited distributed energy resources to reduce peak load by 52 MW.

Let me stress: They saved ratepayers $1 billion.

Here's another example: A New York State study demonstrated that lowering summer peak demand 24% by 2040 would save ratepayers $2.4 billion a year, mostly in avoided costs – avoided generation, avoided transmission, and avoided distribution.

And here's a third example: Maryland has already been able to lower peak demand nearly 9%. We know our utilities are capable of doing this. The SAVINGS Act will hold them accountable to keep going. To paraphrase a member of this Committee, speaking about their own bill from a previous year, the goal is ambitious. That is the point.

We can squeeze more juice out of our energy system, and get more bang for our buck as ratepayers. That's what this bill does.

Advanced Energy United respectfully requests a favorable report.

Thank you for your time.

Best Regards,

Katie Mettle, Policy Principal
Advanced Energy United
kmettle@advancedenergyunited.org
202.380.1950 x3197

SB0598 - SUPPORT.pdf
Uploaded by: Kristin Cook
Position: FAV

SB 598 - SUPPORT

Kristin Cook
350 Montgomery County
350MoCo@gmail.com

Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions) SB 598 (SAVINGS Act)

Education, Energy, and the Environment Committee
March 5, 2026

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee,

On behalf of 350 Montgomery County (350MoCo.org), I urge a favorable report on SB 598. The SAVINGS Act will save significant money on future capital expenditures on electrical grid infrastructure spending.

By incorporating affordable advanced energy technologies such as advanced conductors, grid-enhancing technologies, etc., the SAVINGS Act will bring down the upfront costs of necessary improvements. These advanced energy technologies complement the existing electricity delivery infrastructure, maximizing the value of those previous investments.

The key component of the SAVINGS Act is that it will require each electric utility to create a **cost containment plan** for Public Service Commission (PSC) approval. The cost containment plan *must* meet a measurable, time-bound peak load reduction goal.

For these reasons, we urge a favorable report on SB 598.

Thank you for your careful consideration.

Sincerely,

Kristin Cook
Steering Committee Member of 350MoCo

SB 598 SAVINGS ACT FAV AARP MD.pdf
Uploaded by: Laurel Peltier
Position: FAV

AARP Maryland

One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpmd
facebook.com/aarpmd

SB 598 – Securing Affordable, Valuable Investments in Next-Generation Grid Solutions (SAVINGS Act)
Education, Energy and the Environment Committee
February 26, 2026
FAVORABLE

Good afternoon, Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment Committee. My name is Laurel Peltier, and I am a proud member of AARP Maryland and a resident of Baltimore County. AARP Maryland represents more than 850,000 members across the state, making it one of the largest membership-based organizations advocating on behalf of older Marylanders. We appreciate the opportunity to testify in strong support of SB598. We thank Senator Hester for introducing this legislation on behalf of Maryland ratepayers.

AARP is a nonpartisan, nonprofit organization dedicated to empowering people to live their best lives as they age. Our work focuses on issues that matter most to older adults and their families, including affordable utilities, financial security, health care access, and protection from financial exploitation.

AARP Maryland supports Senate Bill 598 because it offers a plan to put downward pricing pressure on future transmission capital costs and spending. By requiring the PSC's approval for an integrated advanced energy technologies cost containment plan, future peak demand events may be curtailed. Given the large and new data center PJM energy demands, we know that an all-hands-on-deck approach must be taken to utilize the current grid and access less costly technologies that maximize current and future transmission infrastructure.

AARP Maryland knows that our members and many senior Marylanders on fixed incomes are grappling with today's unaffordable utility bills. Tough budget decisions are being made to pay for utilities, and the negative consequences are many. From health and safety issues to increased terminations, the main benefit of SB 598 is to tamp down future electricity supply rates.

For these reasons, we respectfully urge the committee to support SB 598.

If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director at swestrick@aarp.org or by calling 410-310-0374.

SB0598–Electric Companies Cost Containment Plans-R

Uploaded by: Laurie McGilvray

Position: FAV

Testimony on: **SB0598 - Electric Companies - Cost Containment Plans - Requirement (SAVINGS Act)**
Committee: **Education, Energy and the Environment**
Organization: **Maryland Legislative Coalition Climate Justice Wing**
Submitting: **Karl Held**
Position: **Favorable**
Hearing Date: **March 5, 2026**

Dear Chair Feldman, Vice Chair Kagan, and Committee Members:

Thank you for allowing our testimony today in strong support of SB0598, the SAVINGS Act. The Maryland Legislative Coalition Climate Justice Wing is a statewide coalition of 32 grassroots and professional organizations focused on climate justice and we urge you to vote favorably on SB0598.

This bill requires electric companies to submit to the Public Service Commission (PSC) cost containment plans for electric distribution and transmission system planning on or before January 1, 2027, and every three years thereafter, and to submit progress reports on the implementation of the plans.

SB0598 is important to Maryland residents because it will reduce utility spending on grid infrastructure, put downward pressure on electricity supply prices, and reduce the risk of blackouts or brownouts on the electric grid. Its key provisions will require each electric utility to create a cost containment plan for PSC approval, implement cost-saving advanced energy solutions to reduce the costs of future grid infrastructure improvements, and meet a measurable, time-bound peak load reduction goal. The PSC will have the option to impose penalties on electric utilities that fail to meet the goal.

Cost-saving advanced energy solutions can include a variety of technologies. These technologies include grid-enhancing technologies (i.e., sensors to calculate the maximum electricity flow allowed on a line based on real-time weather conditions; devices that allow grid operators to direct electricity flows to avoid congested areas of the grid; and software technology that allows grid operators to reroute power flows to avoid congested areas); advanced conductors (i.e., modern cable technology that increases line capacity up to two-fold), as well as managing or storing energy.

The SAVINGS Act will address the problem of a utility bill's electricity delivery costs, which include, among other things, capital expenditures that utilities invest in poles, wires, transformers, and other equipment. As of June 2025, delivery plus transmission costs for Maryland's electric investor-owned utilities (IOUs) made up anywhere from 23% to 50% of a

typical customer's monthly electricity bill. Since at least 2010, most Maryland IOU electric delivery costs have risen at a rate that is more than double, or even triple, that of inflation.[1]

Studies from New York and New Jersey provide two illustrative examples of how much energy and money the SAVINGS Act could save. A study for the New York State Energy Research and Development Authority (NYSERDA) and the New York Department of Public Service estimated that New York could reduce their winter peak demand by 8.5 GW, or 21%, by 2040.[2] This could result in $2.9 billion (in 2024 dollars) in annual savings in New York by 2040, of which $2.4 billion could be returned to customers. A study for Atlantic City Electric (ACE) in New Jersey estimated that $325.1 million of investments over five years would yield $760.5 million in benefits over 20 years, in real-discounted dollars.[3]

The SAVINGS Act will save money on grid infrastructure spending going forward. Incorporating affordable advanced energy technologies will bring down the upfront costs of necessary improvements. A required cost-benefit analysis and the PSC's approval process will create a safeguard to ensure that before any construction begins utilities will be saving money for ratepayers.

For these reasons, we urge this committee to issue a FAVORABLE report on SB0598.

350MoCo
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Communications Coalition
Climate Parents of Prince George's
Climate Reality Greater Maryland
ClimateXChange
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action Maryland
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
Howard County Indivisible
Maryland Legislative Coalition
Maryland Energy Advocates
Maryland Third Act
Mizrahi Family Charitable Fund
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement

Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Sierra Club Maryland Chapter
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland

1. A Consumer's Guide to Summer 2025 Electric Rates, Maryland Office of People's Counsel, June 12, 2025, https://opc.maryland.gov/Portals/0/Files/Publications/Summer%202025%20Electric%20Rates%20Factsheet%206-12-25.pdf?ver=qxWLUqoC7bf6EX1Y8ARbAA%3d%3d
2. New York's Grid Flexibility Potential, Brattle for NYSERDA and NY Dept. of Public Service, Feb. 5, 2025, https://www.brattle.com/insights-events/publications/brattle-experts-conduct-a-study-to-determine-new-yorks-grid-flexibility-potential-in-2030-and-2040/
3. Cost-Benefit Analysis of Electric Distribution Investments, Brattle for Atlantic City Electric, Oct.31, 2022, https://www.brattle.com/insights-events/publications/cost-benefit-analysis-of-electric-distribution-investments/

SB0598 SAVINGS Act.pdf
Uploaded by: Leslie Wharton
Position: FAV

SB0598 - SUPPORT
Frances Stewart, MD
Elders Climate Action Maryland
frances.stewart6@gmail.com
301-718-0446

Leslie Wharton, J.D.
Elders Climate Action Maryland
Leslie.b.wharton@gmail.com
202-213-3262

SB0598 – Electric Companies – Cost Containment Plans – Requirements (SAVINGS Act)

Meeting of the Education, Energy, and the Environment Committee

March 5, 2026

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee, on behalf of Elders Climate Action Maryland, I urge a favorable report on SB0598, the SAVINGS Act.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

Each day, we see the climate crisis more clearly. We know that Maryland is at risk for sea level rise, flooding from intense rainfall, heat waves, and other extreme weather events. Maryland can also be a leader in moving us to a safer, cleaner future where we all can thrive. The clean energy transition is an essential part of that future.

We are also acutely aware of the affordability challenges many Maryland households face. Rising utility bills are a large part of that problem. For those of us on fixed incomes, including many of our members, this is a growing concern.

Capital expenses, operations, and maintenance of the distribution systems that bring electrical power to our homes and businesses are a significant share of our electric bills. According to the Office of People's Counsel's "A Consumer's Guide to Summer 2025 Electric Rates", a Pepco customer pays a fixed monthly delivery charge of $8.44 plus an additional 9.2 cents for the delivery of each kilowatt hour they use.

A Pepco customer who used 500 kWh in a month would pay $122.92. $54.44 of that bill would be delivery costs. Those costs increased 153.9% from 2010 to 2025. That is more than three times the increase in the Consumer Price Index between January 2010 and July 2025. The increases varied across utilities, but SMECO, BGE, Delmarva, and Pepco all had increases significantly higher than the rate of inflation.

Investments in advanced energy distribution systems, such as grid-enhancing technologies, advanced conductors, and battery storage, can make the electric grid more cost-effective and reliable while reducing peak demand. In 2022, a New Jersey utility, Atlantic City Electric, commissioned a study by the Brattle Group, "Cost-Benefit Analysis of Electric Distribution Investments". The study estimated that the investments would provide a 171.6% return over 20 years. Most of that would be savings to the utility and ratepayers.

The SAVINGS Act is well named. The bill would require electric utilities to submit triennial cost containment plans to the Public Service Commission. If the PSC finds that the plan would offer ratepayers meaningful savings, the utility could propose a shared savings mechanism. If the PSC approves the plan, up to 85% of the cost savings would go to ratepayers. If the PSC does not approve the plan, they may require the utility to resubmit. Once a utility has an approved shared-savings mechanism, it must submit annual progress reports to the PSC.

The investments utilities would make under the SAVINGS Act would provide significant savings to ratepayers. They would also improve grid reliability and facilitate the integration of renewable energy, which would reduce air pollution and the greenhouse gas emissions that drive climate change.

For all of these reasons, we strongly urge a favorable report on SB0598, the SAVINGS Act.

Thank you for your time and consideration.

SB598 FAV.pdf
Uploaded by: Maryrose Wilson
Position: FAV

SB0598 – FAV
Electric Companies - Cost Containment Plans - Requirement (SAVINGS Act)

Education, Energy and the Environment Committee

Hearing: March 5, 2026

Dear Committee Members:

I urge you to vote favorably on SB0598.

The Savings Act will address the problem of a utility bill's electricity delivery costs, which include capital expenditures that utilities invest in poles, wires, transformers, and other equipment.

This bill requires electric companies to submit to the Public Service Commission (PSC) cost containment plans for electric distribution and transmission system planning on or before January 1, 2027, and every three years thereafter, and to submit progress reports on the implementation of the plans.

SB0598 is important to Maryland residents because it will reduce utility spending on grid infrastructure, put downward pressure on electricity supply prices, and reduce the risk of blackouts or brownouts on the electric grid. Its key provisions will require each electric utility to create a cost containment plan for PSC approval, implement cost-saving advanced energy solutions to reduce the costs of future grid infrastructure improvements, and meet a measurable, time-bound peak load reduction goal. The PSC will have the option to impose penalties on electric utilities that fail to meet the goal.

The Savings Act will save money on grid infrastructure spending going forward. Incorporating affordable advanced energy technologies will bring down the upfront costs of necessary improvements. A required cost-benefit analysis and the PSC's approval process will create a safeguard to ensure that before any construction begins utilities will be saving money for ratepayers.

I urge a favorable report.

Sincerely,

Maryrose Wilson
12102 Coppermine Road
Union Bridge MD 21791

SB 598 Maryland LCV FAV _ SAVINGS Act.pdf
Uploaded by: Rebecca Rehr
Position: FAV

MARYLAND LEAGUE OF CONSERVATION VOTERS

March 5, 2026

Support: SB 598 Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

Mr. Chair and Members of the Committee:

Maryland LCV Supports SB 598, the SAVINGS Act, and we thank Senator Hester for her leadership on this issue. Maryland LCV is working to Power Maryland Forward, supporting **energy affordability** through **deployment of solar and storage, defense against more fossil fuels** and **unchecked utility profits**, while **getting the most out of the electricity grid we have**. SB 598 brings several of these tenets forward.

SB 598 requires utilities to submit a cost containment plan every three years to the Public Service Commission (PSC) for approval. A utility's cost containment plan will include the utility's efforts to reduce the costs of future grid infrastructure improvements, including:

- Advanced transmission technologies like advanced conductors, which carry more electricity than standard ones
- Grid Enhancing Technologies (GETs) that can manage the flow of electricity on the grid to respond to real-time conditions
- Consumer demand response management, such as smart thermostats and managed EV charging
- Virtual power plants
- Distributed generation, like rooftop solar
- Battery storage

The cost containment plan must combine to reduce the utility's peak electric system load by at least 20% by 2030. The initiatives included in the cost containment plan all have roots in RMI's Electricity Affordability Toolkit. Investments in these technologies result in direct savings for ratepayers; a cost containment plan is a sensible transparency and accountability mechanism for utilities. The PSC is authorized through this bill to impose financial penalties on the utilities if they do not meet the reductions in peak load.

A study for the New York State Energy Research and Development Authority (NYSERDA) and the New York Department of Public Service estimated that New York state could reduce their winter peak demand

30 West Street, Suite C
Annapolis, MD 21401
Phone: 410-280-9855

www.mdlcv.org

by 8.5 GW, or 21%, by 2040 by implementing many of the grid flexibility initiatives introduced in this bill to be required in the cost containment plans. This could result in $2.9 billion (in 2024 dollars) in annual savings in New York by 2040, of which $2.4 billion could be returned to customers.

We urge a favorable report on this bill.

SB0598 SAVINGS Act Favorable Kranz 3-5-26.pdf
Uploaded by: Rhonda Kranz
Position: FAV

Testimony on: SB0598 - Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions) (SAVINGS Act)
Submitting: Rhonda Kranz
Committee: Education, Energy and the Environment
Position: Favorable
Hearing Date: March 5, 2026

Dear Chair Feldman, Vice Chair Kagan, and Committee Members:

Thank you for allowing my written testimony in support of SB0598, the "SAVINGS Act". I have lived in Maryland for 30 years and am concerned that Maryland address its increasing need for new transmission lines thoughtfully with climate goals and ratepayers in mind.

Maryland needs an upgrade to its aging grid system. It needs to be cost effective, well planned, and with oversite by the State. SB0598 is a big step in this direction. It requires electric companies to incorporate advanced energy solutions which will save energy and reduce risks of blackouts. These technologies could include the ability for grid operators to avoid congested areas by reroute power flows, and even advanced conductors that can manage and store energy.

One of the most significant parts of the bill is oversite of the electric company actions by the Public Service Commission. The act includes oversite by requiring the electric companies to develop and submit a cost containment for electric distribution and transmission by the end of the year and to submit progress reports every three years. And the Commission will be able to impose penalties if the plans are not met.

Ultimately, it will save citizens from significant rate increases by reducing pressure on supply prices and spending on grid infrastructure. It will also address a problem involving a utility bill's electricity delivery costs which include, among other things, capital expenditures that utilities invest in poles, wires, transformers, and other equipment.

For these reasons, I urge the committee to issue a FAVORABLE report.

Testimony in support of SB0598 - SAVINGS Act.pdf
Uploaded by: Richard KAP Kaplowitz
Position: FAV

SB0598_RichardKaplowitz_FAV
03/05/2026
Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#/0598 – FAVORABLE

Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

TO: Chair Feldman, Vice Chair Kagan and members of the Education, Energy and the Environment Committee
FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0598, Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

Maryland urgently needs to control the rapid and destabilizing increase in utility bills within Maryland. As documented by Earthjustice: [1]

> Maryland residents are facing an affordability crisis. Utility bills are rising as the cost-of-living increases, straining already stretched households and businesses. The gas rates of BGE and Columbia Gas have increased significantly since 2010, with BGE's rates tripling during that period and Columbia Gas rates increasing more than three times the inflation rate. Electric rates for Maryland's Exelon utilities have also increased above inflation rates. Unfortunately, this problem isn't going to get better soon. According to BGE, Marylanders expect to see another combined increase for gas and electric service of over 12% by June 2025 — this will look like an additional $26 on a $210 residential bill.

This bill is an important step Maryland, and the Public Service Commission, can take in this affordability crisis. It accomplishes this by requiring electric companies to submit to the Public Service Commission cost containment plans for electric distribution and transmission system planning on or before January 1, 2027, and every 3 years thereafter; requiring the plans to combine to reduce peak electric system loads in a certain manner; and requiring electric companies to submit certain progress reports on the implementation of the plan.

This bill creates more transparency on decisions being made by electric companies and how they will manage their distribution and transmission systems.

I respectfully urge this committee to return a favorable report and pass SB0598.

[1] https://earthjustice.org/experts/susan-stevens-miller/its-time-for-the-maryland-legislature-to-seize-the-moment-lower-energy-bills

2026.03.05_SB598_FAV_Shawn Kelly_Adanced Energy Un

Uploaded by: Shawn Kelly
Position: FAV

March 5, 2026

Education, Energy, and the Environment Committee

SB 598
Securing Affordable, Valuable Investments in Next-Generation Grid Solutions

(The SAVINGS Act)

Sponsor: Senator Hester

Shawn Kelly, Senior Director State Regulatory

Advanced Energy United

FAVORABLE

Introduction

Thank you for the opportunity to submit my written testimony in strong support of the SAVINGS Act sponsored by Senator Hester. My name is Shawn Kelly, and I represent Advanced Energy United ("United"). United is a national industry association representing businesses that provide the full range of advanced energy and transportation solutions. We advocate for public policies that enable competition and work alongside our member companies to create economic opportunity, lower consumer costs, and bolster energy reliability and resilience across the country. Together, we are united in our mission to create an economy built on advanced energy. The term advanced energy encompasses a broad range of products and services that constitute the best available technologies for meeting our energy needs today and tomorrow. These include electric vehicles ("EVs"), energy efficiency, demand response, energy storage, solar, wind, hydro, nuclear, heat pumps (air- and ground-sourced), and smart grid technologies. United represents more than 100 companies in the $374 billion U.S. advanced energy industry, which employs 4.1 million U.S. workers, including around 100,000 in Maryland.

I bring expertise to this issue from my combined experience working for the Florida Public Service Commission, the Indiana Utility Regulatory Commission, two gas and electric utilities, and representing other utility regulators and consumer advocates as an advisor. Currently, I am a Senior Director on United's State Regulatory team where I cover our regulatory engagement at public utility commissions Also, as someone who raised a daughter in Maryland, I take pride in advocating for issues that benefit this great state.

The Affordability Crisis and the SAVINGS Act

The United States is in the midst of an affordability crisis, and the electricity industry is a central actor in skyrocketing prices. Electricity is such a vital component of our economy as it provides a necessary input to every single sector. If we want to tackle the affordability crisis, we need to start with the electricity industry. Currently, the cost of delivery and transmission of electricity in Maryland accounts for 25% to 50% of a customer's bill in some service territories. The distribution rates for the three investor-owned electric utilities have increased by a yearly average of 5.7% from 2010 to 2025.[1] This rapid increase, which is significantly above the pace of general inflation, is a clear sign that utility planning needs to be reevaluated to better serve customers.

The SAVINGS Act directly addresses the electricity affordability crisis by establishing critical safeguards on utility spending. It implements a Cost Containment Plan mechanism, subject to Maryland Public Service Commission ("Commission" or "PSC") approval, that requires utilities to demonstrate significant cost savings for their customers. We need the SAVINGS Act to require utilities to take these actions, as they will not do this on their own.

Data Center Load Growth and Regional Savings

Adding to concerns of affordability, the grid is facing unprecedented load growth from data centers and transportation and building electrification. According to a report prepared by Synapse Energy Economics for United, data center load growth is projected to increase by 30 GW in PJM by 2030.[2]

If we double advanced energy technologies in the PJM region, including the measures outlined in the SAVINGS Act, current projections under a "business as usual" scenario by

[1] Maryland Office of People's Counsel. (2025, June 12). A consumer's guide to summer 2025 electric rates. State of Maryland.
[2] Synapse Energy Economics, Inc. (2026, February). The next decade in PJM: A path to reliability and affordability. Synapse Energy Economics, Inc.

2035, we can reduce peak load by 17% by 2030 and 22% by 2035, ultimately saving $178 billion by 2035.[3]

Proven Benefit-Cost Case Studies

It is not just advocacy organizations like United who are reaching this conclusion. State agencies across the country are identifying the market potential for cost-savings solutions like load management and grid flexibility. Below are examples of such findings:

- New York State Grid Flexibility Market Potential: A report prepared for the New York State Energy Research and Development Authority and the New York Public Service Commission assessed that New York State, could use a portfolio of solutions (including demand response, behind-the-meter storage, EV vehicle-to-grid, EV managed charging, time-varying rates, water heating, and heating and cooling solutions) to reduce summer peak demand by 3 GW (11%) by 2030, and by 8.5 GW (24%) by 2040. This is projected to result in $2.9 billion in annual savings by 2040.[4]
- Massachusetts Peak Potential Report: The Massachusetts Department of Energy Resources Peak Potential Draft Report identified was designed specifically to quantify the total potential for peak savings and ratepayer benefits. It highlights how leveraging demand flexibility, energy efficiency, and virtual power plants ("VPPs") can reduce peak demand 4.5 GW by 2040 and 13.8 GW by 2050. Achieving these peak demand reductions would save customers $950 million by 2040 and $4.8 billion by 2050.[5]
- Pennsylvania Market Potential Study: The Pennsylvania Public Utility Commission's statewide evaluator analyzed the cost-effectiveness of demand response and energy efficiency programs to manage grid load. The study proved the financial viability of these programs, projecting estimated a net present value of $43 million for consumers.[6]

Maryland's Progress and Untapped Potential

Through the SAVINGS Act, the Maryland PSC will determine the precise MW peak demand reduction goal for each utility, but we estimate that statewide, the total peak reduction

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[3] *Id*.
[4] The Brattle Group. (2025, January 31). New York's grid flexibility potential - Volume I: Summary report. New York State Energy Research and Development Authority; New York Department of Public Service.
[5] Massachusetts Department of Energy Resources. (2025, December 16). Peak potential: Load management for an affordable net-zero grid (Draft for comment). State of Massachusetts.
[6] Demand Side Analytics. (2025, February). Phase V demand response potential study. Pennsylvania Public Utility Commission.

needed is approximately an additional 1,300 MW by 2030 and 2,600 MW by 2035. Maryland has already reduced peak demand by approximately 1,310 MW, or 9%, through demand-side management (DSM).[7]

Both the DSM programs and the pending VPP pilot programs enabled by the DRIVE Act, are examples of Maryland's progress and successful leadership and the SAVINGS Act is the next evolution of that progress as it emphasizes the cost savings goal while giving the Commission the appropriate tools to analyze and regulate the electric utilities' actions to contain costs.

Thank you for your time, and I respectfully request a yes vote on the SAVINGS Act.

[7] Maryland Public Service Commission. (2025, December). Ten-year plan (2025-2034) of electric companies in Maryland. Prepared for the Maryland Department of Natural Resources.

SB 598_BOMA_FWA.pdf
Uploaded by: Bryson Popham
Position: FWA

BOMA BALTIMORE

2331 Rock Spring Road
Forest Hill, MD 21050
443.966.3855
info@bomabaltimore.org

March 3, 2026

The Honorable Brian J. Feldman
Chair, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 598 – *Electric Companies - Cost Containment Plans - Requirement*

FAVORABLE W/AMENDMENT

Dear Chair Feldman and Members of the Committee,

I am writing in my capacity as the Legislative Chairman of the Building Owners and Managers Association of Greater Baltimore (BOMA) to respectfully request an amendment to Senate Bill 598.

BOMA represents owners and managers of all types of commercial property, comprising well over 100 million square feet of office space in Baltimore and Central Maryland.

The BOMA request is directed specifically at the definition of "grid flexibility – enabled building electrification and efficiency," found on page 3, lines 20 through 26 of the bill.

This definition specifically directs that credit or preference be given to programs or measures under the bill that "encourage the use of the electric grid in off-peak hours and mitigate use during peak demand." Such programs or measures are listed on page 4, beginning at line 27 through line 11 on page 5. While this factor is one component of several that may be chosen, it is extremely important to BOMA members.

Commercial office buildings operate during typical business hours. These typical business hours often include times of peak demand for electricity usage. While the cost containment goal of Senate Bill 598 is laudable, BOMA respectfully submits that it must also be realistic. We ask that the bill be specifically amended to take into account building usage when developing a cost containment plan, and permit commercial office buildings the flexibility necessary to continue their operations without onerous and unrealistic requirements. We are happy to work with the bill sponsor and the Committee in addressing this important request.

Very truly yours,

Tim O'Donald
Chair, BOMA Legislative Committee

cc: Bryson F. Popham, P.A.

SB0598 & HB0723 - OPC Testimony in Senate.pdf
Uploaded by: David Lapp
Position: FWA

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL
DEPUTY PEOPLE'S COUNSEL

OPC
OFFICE OF PEOPLE'S COUNSEL
State of Maryland

6 ST. PAUL STREET, SUITE 2102
BALTIMORE, MARYLAND 21202
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

CARISSA RALBOVSKY
CHIEF OPERATING OFFICER

BILL NO.:	Senate Bill 0598/House Bill 0723 – Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)
COMMITTEE:	Education, Energy, and the Environment Environment and Transportation
HEARING DATE:	March 5, 2026 (EEE) March 3, 2026 (ENT)
SPONSOR:	Senator Hester Delegates Qi, Boyce, Foley, Fraser-Hidalgo, Guyton, Lewis, Lopez, Moreno, Spiegel, Terrasa, Watson, Wims, and Woorman
POSITION:	Favorable with amendments

****

The Office of People's Counsel (OPC) respectfully offers the following comments in support of Senate Bill 0598/House Bill 0723, the "SAVINGS Act," with the amendments described below. SB 0598/HB 0723 is aimed at a problem Maryland customers feel every month: Electric bills are rising in significant part because of the costs of building and maintaining the electric system to meet peak demand. SB 0598/HB 0723 would put cost containment on the front end of utility planning by requiring each electric company to file a plan showing how it will reduce or defer those peak-related system costs through lower-cost strategies before turning to traditional capital projects. This structure should help limit future cost growth without sacrificing reliability, resilience, or system capacity.

SB 0598/HB 0723 would require each electric company to file a recurring "cost containment plan" with the Public Service Commission (PSC), describing how the company will avoid or minimize capital spending by using grid enhancing technologies and "non-wires" solutions, such as distributed energy resources, demand flexibility, automated load management, flexible interconnection, virtual power plants, and related measures. The bill also directs utilities to address how they will better coordinate

distribution investments with PJM transmission planning and increase reliance on regional transmission planning relative to local or supplemental transmission solutions. Put simply, SB 0598/HB 0723 is designed to require utilities to demonstrate—up front and in a transparent filing—that they have evaluated and pursued lower-cost options before defaulting to traditional, often high-cost, capital projects.

SB 0598/HB 0723 advances a straightforward ratepayer principle: Customers should not pay for avoidable capital spending when lower-cost options can meet the same system need. Customers cannot be expected to absorb indefinite bill growth, particularly when some of the most expensive investments can be deferred or avoided through well-designed demand flexibility and other non-wires strategies. Done correctly, the bill's approach can reduce long-run costs by targeting investments that drive customer bills, especially transmission and capacity costs.

OPC offers the following targeted amendments to ensure the bill's requirements are clear, enforceable, and implemented in a way that protects customers.

1. File cost containment plans as part of the electric system plan process.

OPC recommends simplifying subsection (b) so cost containment plans are filed as part of the electric system planning process, rather than potentially as part of a multiyear rate plan application or a rate case filing. Cost containment plans are forward-looking planning documents meant to identify system needs and evaluate lower-cost alternatives before utilities commit to major capital projects. By contrast, a rate case is primarily a backward-looking proceeding to determine a utility's revenue requirement and set rates based on recorded and known-and-measurable costs, with limited time and space for a comprehensive planning record. Filing cost containment plans in the electric system planning process will allow the PSC and parties to evaluate the proposed strategies on a focused record, without forcing them into already complex rate proceedings where the planning analysis is likely to be rushed or diluted.

(II) ADJUST THE SUBMISSION PLAN DEADLINE IF THE COMMISSION REQUIRES OR ALLOWS AN ELECTRIC COMPANY TO SUBMIT ITS COST CONTAINMENT PLAN AS A PART OF~~:~~

~~1. A MULTIYEAR RATE PLAN APPLICATION;~~
~~2. A RATE CASE FILING; OR~~
~~3.~~ AN ELECTRIC SYSTEM PLAN.

This change keeps the filing aligned with the proceeding designed for integrated, forward-looking system planning, and it avoids turning a planning requirement into one more issue folded into an already resource-constrained rate case or multiyear rate plan proceeding.

2. Define "peak electric system load" to account for the impacts of weather and exclude any load from large load customers.

OPC recommends clarifying the requirement in subsection (d) to reduce peak electric system demand to focus on the elements that are within an electric company's control. SB 0598/HB 0723 sets a major outcome target: The measures in the cost containment plan must "combine to reduce the utility's peak electric system load by at least 20% from 2025 levels by 2030." OPC understands that a forthcoming amendment from the sponsor will spread the required reductions out over a longer period of time: 10 percent by 2030 and 20 percent by 2035. If implemented effectively, these targets should help slow future cost growth by reducing the need for peak-driven infrastructure and related system costs. But as drafted, the reduction target(s) do not account for (1) the impact of variations in weather; or (2) the potential additions to an electric company's peak load that may come from large load customers such as data centers.

(D) THE COST CONTAINMENT PLAN SUBMITTED UNDER SUBSECTION (C) OF THIS SECTION SHALL COMBINE TO REDUCE THE UTILITY'S PEAK ELECTRIC SYSTEM LOAD BY AT LEAST 20% FROM 2025 LEVELS BY 2030. FOR THE PURPOSES OF MEASURING COMPLIANCE WITH THIS SECTION, A UTILITY'S PEAK ELECTRIC SYSTEM LOAD SHALL:

(I) BE MEASURED ON A WEATHER NORMALIZED BASIS; AND

(II) NOT INCLUDE ANY LOAD ASSOCIATED WITH A LARGE LOAD CUSTOMER INTERCONNECTED PURSUANT TO TARIFFS ADOPTED UNDER PUA § 4-212.

The addition of this language ties the bill's target(s) to what electric companies can actually control.

3. Clarify that approval of a cost containment plan is not preapproval of cost recovery.

OPC recommends clarifying subsection (e) to confirm that PSC approval of a cost containment plan is not an approval to recover implementation costs from customers. A cost containment plan is a planning document. PSC approval should not be construed as a pre-prudence determination that limits the ability of OPC, PSC Staff, or other parties to evaluate whether specific expenditures were reasonable, necessary, and prudently incurred. Implementation costs should remain subject to prudence review and verification in the appropriate proceeding before any recovery through rates.

(E) (3) APPROVAL OF A COST CONTAINMENT PLAN UNDER THIS SECTION DOES NOT CONSTITUTE A DETERMINATION THAT ANY COSTS INCURRED TO IMPLEMENT THE PLAN ARE RECOVERABLE THROUGH

RATES, AND THOSE COSTS REMAIN SUBJECT TO PRUDENCE REVIEW IN THE APPROPRIATE PROCEEDING.

This safeguard prevents plan approval from being used later as a shield against meaningful prudence review, and it preserves the Commission's and parties' ability to ensure customers pay only for reasonable and prudently incurred implementation costs.

4. Clarify that "fines" means the Commission's existing civil penalty authority.

OPC recommends clarifying subsection (g)(1) to make explicit that any "fines" for noncompliance may be imposed under the Commission's existing civil penalty authority in Public Utilities Article (PUA) § 13-201. As drafted, the reference to "one or more fines" is vague. Cross-referencing the Commission's established penalty statute will avoid confusion about the source and scope of the Commission's enforcement authority and will make the compliance mechanism clearer to utilities and stakeholders.

(G)(1) IMPOSE ~~ONE OR MORE FINES~~ CIVIL PENALTIES UNDER § 13-201 OF THIS ARTICLE.

This change is simple, but it provides needed clarity: it anchors "fines" to an existing, well-understood enforcement tool and reduces the risk of side fights over what penalties the bill is (or is not) authorizing.

Recommendation: OPC requests a favorable Committee report on SB 0598/HB 0723 with the friendly amendments described above.

SB0598 (HB0723) - FWA - Electric Companies - Cost

Uploaded by: Megan Outten

Position: FWA

Maryland Energy Administration

TO: Chair Ferguson, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee
FROM: MEA
SUBJECT: SB 598 - Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)
DATE: March 5, 2026

MEA Position: FAVORABLE WITH AMENDMENT

The Maryland Energy Administration respectfully submits this letter of support with amendments for Senate Bill 598.

Senate Bill 598 directs electric companies to prioritize cost-effective, flexible grid solutions that reduce unnecessary capital expenditures and protect ratepayers. The Maryland Energy Administration supports the intent to elevate cost containment and grid optimization alongside the state's electric system planning process and its intent to give cost containment and grid utilization meaningful enforcement tools, including potential fines, return on equity adjustments, and cost recovery limitations. However, HB 723 requires utilities to reduce systemwide peak electric system load by at least 20 percent from 2025 levels by 2030. Reducing system load alone does not necessarily contain costs. Reducing system load simply moves less energy through a system that is already built and paid for. The bill does not address locational peak or temporal constraints. Grid modernization requires utilities to reduce load at the right place and the right time. A systemwide target alone does not guarantee that utilities relieve local distribution constraints or defer specific capital projects.

MEA recommends amending subsection (D) to require utilities to demonstrate reductions in both system peak and identified locational or feeder-level peaks, where cost-effective and supported by data. This refinement will ensure that cost containment efforts align with real grid needs. For example, Section (D) could be amended to say that "The utility shall prioritize Peak Load Management specifically as a 'Non-Wires Alternative' (NWA). A peak reduction project shall only be approved if the utility demonstrates, through a verified cost-benefit analysis approved by the Commission, that the cost of load reduction is less than the revenue requirement of the traditional distribution upgrade (e.g., substation expansion or feeder reinforcement) it is intended to defer or displace."

House Bill 723 also envisions a separate three-year cost containment proceeding that runs parallel to the existing electric system plan process as established under Md. Code, Public Util. Art. §7-804 and Commission Case No. 9665. This structure risks duplicative filings, duplicative analysis, and unnecessary administrative burden. MEA recommends amending the bill to clarify that the Cost

Containment Plan either: (1) serves as a defined section within the existing electric system planning process, or (2) expressly modifies and strengthens ESP requirements rather than duplicating them.

House Bill 723 also introduces several new definitions that may conflict with, or duplicate, definitions already embedded in Maryland statute and the Maryland Public Service Commission ("Commission") practice. The bill defines "distributed energy resource" by cross-reference to § 7-1001, which limits DERs to resources located on a customer's premises. At the same time, the bill includes "energy storage used as transmission" and "energy storage used as distribution" as eligible technologies. Storage used as transmission or network-level distribution assets may not sit on a customer's premises and therefore may not meet the existing statutory DER definition. MEA recommends clarifying that, for purposes of this section, storage used as transmission or distribution qualifies as an eligible cost-containment resource even if it does not meet the § 7-1001 DER definition.

Finally, House Bill 723 directs utilities to expand non-wires solutions, but utilities currently lack a standardized framework to measure, verify, and compare non-wires alternatives. Before the Commission can meaningfully penalize utilities for failing to meet a peak target, it must establish transparent tracking metrics, data reporting standards, and consistent evaluation methodologies. MEA recommends adding language that directs the Commission to establish measurable performance metrics and reporting standards for non-wires solutions and other flexible resources as part of the Electric System Process. House Bill 723 reflects a well-intentioned effort to control costs and accelerate flexible grid solutions.

With targeted amendments that streamline planning requirements, harmonize definitions, clarify peak reduction metrics, and establish measurement frameworks, the bill can strengthen accountability without creating duplicative processes or statutory ambiguity. MEA urges the committee to issue a **favorable report with the recommended amendments.**

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, at landon.fahrig@maryland.gov or 410.913.1537.

SB 598
Uploaded by: Anne Klase
Position: UNF

February 24, 2025

112West Street
Annapolis, MD 21401

Oppose – Senate Bill 598- Electric Companies – Cost Containment Plans – Requirement (SAVINGS Act)

Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power) strongly *opposes* **Senate Bill 598 – Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions**. Senate Bill 598 requires electric utilities to submit a cost containment plan to the Public Service Commission (PSC) by January 1, 2027. Among other requirements, the plan must combine to reduce the utility's peak electric system load by at least 20% from 2025 levels by 2030.

Senate Bill 598 mandates a 20% reduction in peak load by 2030. For Pepco and Delmarva Power, this represents nearly 950 megawatts of capacity—over 740 MW for Pepco Maryland and more than 210 MW for Delmarva Power. To put this in context: A single 1 MW of capacity can serve 400 to 900 homes. Meeting this target with battery storage alone would require enough batteries to serve the equivalent of 380,000 to 855,000 customers. This is not a targeted or needs-based investment. It is a blanket requirement that ignores actual system conditions and engineering constraints. Just the battery units themselves would cost an estimated $492 million, not including: Land acquisition—which is both limited and expensive in our Maryland service territories, Interconnection upgrades, Site development, or Ongoing operations and maintenance.

It is also important to note that these batteries must be charged through the PJM wholesale market, adding further cost. And because PJM—not the State—controls transmission system dispatch, even new distributed energy resources cannot be directed by Maryland for its specific peak-reduction goals. This requirement forces utilities to build major rate-base assets without any demonstrable capacity need or justification—a concept fundamentally misaligned with cost-effective planning principles.

This legislation assigns the Public Service Commission and stakeholders responsibility for reviewing and approving complex cost-containment plans. While the Commission is a skilled regulator, neither the Commission nor the stakeholder community possesses the highly specialized engineering and utility planning expertise required to evaluate or approve such plans. This creates a risk of technically flawed or conflicting directives. Senate Bill 598 imposes significant punitive measures—including fines, return-on-equity reductions, and the potential to deny cost recovery—if utilities fail to meet the unattainable 20% peak-reduction mandate. These

provisions introduce substantial financial risk during a period when utilities are already undertaking major transformations to meet existing state requirements.

The bill also conflicts directly with the State's newly adopted electric system planning regulations under COMAR 20.50.15, which took effect November 24, 2025, following three years of intensive work among utilities, State agencies, and stakeholders.

Utilities are already required under COMAR to submit Annual Plan Updates and full Electric System Plans; Senate Bill 598 creates duplicative and conflicting requirements. Cost Containment Plans were never contemplated in the Electric Distribution System Planning Work Group and are not part of the new COMAR framework. The bill requires utilities to identify capital project deferrals not aligned with COMAR 20.50.15.03 or .04. It also requires inclusion of "investments from other filings," without explaining how these would both avoid costs and improve reliability and resilience—two conflicting objectives.

Finally, it is critical to recognize that Maryland does not have jurisdiction over bulk transmission assets. PHI's transmission system is operated entirely under PJM authority. Even if PHI invested in sufficient distributed resources to theoretically achieve a 20% reduction, the State cannot require how or whether those resources are dispatched.

PHI supports Maryland's clean energy and affordability goals and is committed to continued collaboration with policymakers and regulators. However, Senate Bill 598 imposes technically unworkable mandates, creates major unfunded obligations, and conflicts with the State's newly established regulatory framework. For these reasons, we respectfully request an unfavorable report on Senate Bill 598.

Amber Perry | Anne Klase | Allyson Black-Woodson | Poetri Deal | **410 980 5347**

BGE_OPP_EEE_Senate Bill 598 – Electric Companies -
Uploaded by: Dy Reed-Lipscomb
Position: UNF

Position Statement

UNFAVORABLE
Education, Energy, and Environment
3/5/2026

Senate Bill 598 – Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act

Baltimore Gas and Electric Company **(BGE)** *opposes* **Senate Bill 598 – Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions**. *Senate Bill 598* requires electric companies to develop detailed cost containment plans beginning in 2027 and every three years thereafter. These plans must incorporate advanced transmission technologies, automated load management, demand flexibility, distributed energy resources, and non-wires alternatives. The bill also allows the Public Service Commission (Commission) to approve, conditionally approve, or deny these plans and to impose penalties if prescribed load-reduction targets are not met.

First, Senate Bill 598 adds several overlapping requirements that appear to duplicate and potentially work against existing regulatory frameworks. This kind of redundancy can lead to unnecessary expense and administrative burden, which ultimately undermines the bill's purpose. To provide appropriate context it is important to recognize that Maryland already has several mandatory interrelated regulatory frameworks governing electric system planning. The key milestones are outlined below:

- **2017-2021**: Commission initiated (PC44)- Distribution Planning Workgroup focused on modernizing the grid and advancing distributed energy resources (DER), electric vehicles (EV), and distribution-level planning.
- **2022:** Climate Solutions Now Act establishes new distribution-planning goals and directs the PSC to conduct a statewide electrification and system-capacity study.
- **2023:** PSC issues the first Annual Distribution Planning Report required under CSNA

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- **2024:** DRIVE Act establishes requirements for impacting system planning through DER, V2G and time of use rates requirements
- **2024:** Electric System Planning Act (HB1393) shift from distribution planning to comprehensive electric system planning.
- **July 2024**: PSC issues the DRIVE Act implementation order
- **November 2025**: The new Electric System Planning regulations (**COMAR 20.50.15**) take effect, formalizing the ESP process and associated reporting.
- **December 2025:** PSC publishes the first **Annual Electric System Planning Report** under the updated framework.
- **2026:** Utilities begin participating in the inaugural **Annual Electric System Plan Technical Proceedings** as required by COMAR.

The bill disregards the fact that the Commission has already completed a comprehensive overhaul of the electric system planning process and overlooks years of collaborative work with key stakeholders, *including the Office of People's Counsel, Commission Staff, electric utilities, Advanced Energy United, and multiple consumer advocates.* After countless meetings, technical work sessions, and negotiated compromises, the Commission finalized and implemented major electric system planning regulations in COMAR 20.50.15, which only became effective on **November 24, 2025**. The ink is barely dry on these regulations, yet *Senate Bill 598* attempts to reopen and rewrite the very processes stakeholders just spent years putting in place.

Currently, utilities are embarking on the **first round** of Electric System Plan Technical proceedings, where utilities will present their electric system plans (ESP) to stakeholders for feedback and further refine them before publishing our final plan. The plans include the planning criteria, forecasting methodologies, load and DER forecasts, reliability metrics, and capacity analysis. During the technical conference, stakeholders evaluate and question progress towards the established goals such as GhG reductions, DER integration, energy storage adoption, prioritization of vulnerable communities, solutions (traditional and non-wired solutions) to address voltage or capacity issues and meeting load growth and provide feedback and proposals of their own. Complying with the proceeding's requirements will incur significant costs-the

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Maryland utilities estimate compliance with the initial round of regulations proposed in this proceeding will cost $99 million total - and comes before utilities have even begun presenting the actual plans or considering stakeholder feedback and suggestions. The bill sidesteps this transparent, collaborative effort and instead creates a parallel framework that is redundant.

Second, the bill requires utilities to deploy certain grid modernizing technologies that are already required under existing statutory mandates. For instance:

- **Pg. 4, line 25-27** require including description of electric system constraint solutions[…]including non-wired solutions and distributed energy resources integration that is included in the electric system plan.
    - **Utilities are not authorized to own generation, which would address system constraint. Additionally, we are actively pursuing distribution-level connected storage at the PSC.**
- **Pg. 5, lines 5:** description on use of demand flexibility, and automated load management technologies
    - **Required under the DRIVE Act, which BGE is utilizing in the development of our virtual power plant proposal.**
- **Pg. 5, Line 12:** Requires a description on how utilities are coordinating electric distribution system investments with electric transmission system planning in the PJM region.
    - **Currently under consideration in the PSC Energy Storage Workgroup.**

Third, *Senate Bill 598* requires utilities to achieve a 20% reduction in peak load by 2030. However, utilities need clarity, stability, and alignment across policy and regulatory directives. The Climate Solutions Now Act of 2022 (Chapter 38), Electric System Planning of 2024 (Chapter 540), and the DRIVE Act of 2024 (Chapter 476) necessitated changes to the electric system planning. However, as written, the bill creates areas of misalignment. While both this bill and the DRIVE Act support grid modernization, this bill establishes a **system-wide 20% peak-demand reduction requirement**, which directly conflicts with the DRIVE Act's **2%**

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

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Position Statement

peak-reduction cap for Electric Distribution System Support Services pilots. This bill is not aligned with the DRIVE Act, and this misalignment creates the potential for duplicative and conflicting requirements that would impose significant administrative and operational burdens without corresponding customer benefits. This bill further conflicts with DRIVE, which explicitly limits the scales of distributed energy resources (DER)-based on peak reduction, while this bill would require very large reductions that the DER pilots cannot achieve. The bill would create mismatch resource planning by requiring DERs and non-wired alternatives to be evaluated as cost-containment tools at system scale while DRIVE frames DERs pilots as supplemental grid support services not a substitute for infrastructure.

The bill's requirement to reduce peak load by 20% by 2030 is fundamentally flawed because it relies on measures that are not designed to produce that level of peak reduction. For BGE, which serves more than 1.3 million customers, meeting this target would require reducing approximately 1.3 gigawatts of peak demand. A reduction of this magnitude is unworkable. Customers will not voluntarily reduce their own consumption by 20% without extremely large financial incentives, which would undermine affordability. In addition, rapidly deploying the types of technologies contemplated in the bill at this scale would be cost-ineffective and face significant siting and permitting challenges. The solution to meeting growing demand is not to suppress consumption but to increase energy supply and system capacity in a responsible and strategic manner.

Substantively, the bill also rests on unrealistic assumptions about the capabilities and cost effectiveness of certain technologies. It assumes that non-wires solutions, flexible interconnection, and advanced transmission technologies can reliably lower system costs. In reality, these approaches often require much higher investment than traditional infrastructure and have significantly shorter useful lives. For example, a 3megawatt battery costing 5 million dollars with a 15-year service life is unlikely to be less expensive than a wire based solution that can operate for 50 to 75 years. The bill further assumes that distribution level tools can adequately address transmission level needs, which is inconsistent with engineering practice. Achieving the equivalent benefit of a single transmission project would require hundreds of separate distribution level projects, each with its own siting, permitting, interconnection, and cost implications. The cumulative burden of those projects would far exceed that of building one appropriately sized transmission level upgrade.

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

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BGE is committed to working collaboratively with policymakers and regulators, but *Senate Bill 598* represents a step backward, not forward. It undercuts ongoing regulatory processes, ignores technical feasibility, and imposes mandates that are at odds with the State's own recent decisions. Moving in this direction disrupts, rather than strengthens, Maryland's energy planning framework.

For these reasons, BGE respectfully requests an unfavorable report on *Senate Bill 598*.

John Haysbert| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

SB 598_Electric Companies-Cost Containment Plans-R
Uploaded by: Hannah Allen
Position: UNF

MARYLAND
Chamber of Commerce

Senate Bill 598

Date: March 5, 2026
Committee: Education, Energy, and the Environment
Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

Senate Bill 598 (SB 598) requires electric companies to file cost containment plans aimed at reducing peak electric system load by 20% by 2030, prioritizing non-wires alternatives, distributed energy resources, and other advanced grid solutions over traditional infrastructure investments. The bill authorizes penalties for non-compliance and relies in part on regional transmission planning outcomes to meet its requirements.

Maryland employers support a reliable, resilient, and modern electric grid. Businesses across the state depend on affordable and dependable electricity to operate, expand, and remain competitive. As drafted, however, SB 598 would undermine these objectives by imposing rigid and unrealistic mandates that are disconnected from system realities, existing state policies, and cost impacts on ratepayers.

SB 598 requires electric companies to reduce peak system load by 20% by 2030, despite the fact that utilities do not control many of the primary drivers of load growth, such as electrification policies and population growth. Establishing a fixed reduction target without accounting for natural or policy-driven load growth exposes utilities to significant compliance risk for factors outside their control.

SB 598 also assumes that non-wires alternatives and advanced grid technologies can readily replace traditional infrastructure investments at lower cost. While these tools may offer long-term value, many remain expensive, limited in scale, and operationally constrained today. In the near term, they may increase costs rather than reduce them, placing additional upward pressure on electric bills for businesses and residents already facing rising costs.

The bill further relies on transmission planning outcomes that are largely determined through regional processes outside the authority of Maryland electric companies. Conditioning state compliance on external decisions introduces uncertainty and risk that neither utilities nor customers can reasonably manage.

Finally, the bill's punitive financial penalties for non-compliance are disproportionate and disconnected from utility control. These penalties would increase financial risk and borrowing costs, potentially increasing rates. We urge the committee to pursue a more flexible, collaborative, and data-driven approach that protects reliability and affordability for Maryland's business community and residents.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **SB 598**.

FirstEnergy UNFAV EEE - SB598.pdf
Uploaded by: Timothy Troxell
Position: UNF

PotomacEdison
A FirstEnergy Company

Timothy R. Troxell, CEcD
Senior Advisor, Government Affairs
301-830-0121
ttroxell@firstenergycorp.com

10802 Bower Avenue
Williamsport, MD 21795

OPPOSE – Senate Bill 0598

SB0598 – Electric Companies - Cost Containment Plans - Requirement
(Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act)

Environment and Transportation Committee
Thursday, March 5, 2026

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 293,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Maryland, Ohio, Pennsylvania, New Jersey, New York, and West Virginia.

Unfavorable

Potomac Edison / FirstEnergy respectfully requests an Unfavorable report on SB-598 - *Electric Companies - Cost Containment Plans - Requirement (Securing Affordable, Valuable Investments in Next Generation Grid Solutions (SAVINGS) Act,* as currently drafted, due to significant concerns regarding feasibility, cost-effectiveness, operational practicality, and unintended consequences for Maryland ratepayers.

The bills requirement that electric utilities reduce peak electric system load by 20% from 2025 levels by 2030 is unrealistic and exposes utilities to significant, uncontrollable compliance risk. Utilities do not control customer load growth -- which continues to be driven by state-supported building electrification policies, electric vehicle adoption, industrial expansion, and various other climate initiatives that increase load. For example, EmPOWER Maryland's electrification initiatives are intended specifically to increase electric consumption -- and are in direct conflict with SB-598's requirement to reduce system load. Without adjustments for natural load growth and policy-driven electrification, this bill will penalize utilities for factors beyond their control and create substantial non-compliance risk.

Non-wires alternatives, distributed energy resources, and other advanced technologies may offer long-term value as part of a modernized electric grid. However, today these options generally involve higher upfront and higher ongoing costs than traditional utility infrastructure -- and often shift costs rather than reducing them overall. Recent benefit-cost analyses of Potomac Edison filed programs such as virtual power plants and battery storage show that, at current scale and cost, expected benefits are materially below program costs -- resulting in upward pressure on customer bills. While the long-term economics of these programs will continue to evolve, conventional utility infrastructure investments can often address system needs more reliably and at significantly lower cost in the near term. Additionally, measures such as flexible interconnections may accelerate generation interconnection, but they do not reduce system load or meaningfully mitigate peak demand and therefore cannot be relied upon to meet the bill's requirements.

The presumption that Maryland utilities can avoid or eliminate system investments by addressing transmission constraints is misplaced – those decisions are not normally within our authority. PJM Interconnection, not the utilities, often selects solutions to regional transmission needs – and these projects are not guaranteed to be

awarded to, or constructed by, in-state utilities. Maryland electric companies cannot rely on PJM planning to meet state-imposed mandates, so it is neither practical nor appropriate to hinge state compliance on PJM decisions. In addition, current demand response and distributed energy resource programs are limited in scale, rely heavily on third-party implementers, and cannot provide the hundreds of megawatts of long-duration dispatch capability that would be required to meet the bill's mandates.

Although framed as an affordability and savings bill, the financial penalties associated with non-compliance in this act are extreme and disconnected from many elements the utilities can control. These penalties would lead to increased borrowing costs for utilities, impeding investment in reliability and modernization projects, and ultimately raising costs for customers – the opposite of the bill's intent.

While FirstEnergy supports efforts to modernize Maryland's electric grid and manage energy costs responsibly, SB-598 imposes requirements that are operationally infeasible, economically disruptive, and inconsistent with other state policies that actively increase electric load. We strongly encourage the General Assembly to collaborate with Maryland's electric utilities to develop more realistic, flexible, and data-driven targets that meaningfully support system planning, reliability, and affordability.

Potomac Edison / FirstEnergy respectfully requests an <u>Unfavorable</u> report on SB-598. As written, the bill represents a significant overreach into core grid-planning functions, offers questionable ratepayer benefits, and would impose substantial new risks and costs on Maryland utilities and customers.

SB 598 Savings Act - Information.pdf
Uploaded by: Barve Barve
Position: INFO

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

Chair Brian Feldman
Education, Energy and the Environment Committee
2 West Miller Office Building
Annapolis, MD 21401

RE: SB 589: – Information – The SAVINGS Act (Securing Affordable, Valuable Investments in Next Generation Grid Solutions)

Dear Chair Feldman and Committee Members:

During the 2022 Legislative session, the Maryland General Assembly passed the Climate Solutions Now Act of 2022 (SB0528), which requires the Public Service Commission (Commission) to establish distribution system planning (DSP) regulations by July 1, 2025, among other things. In the 2024 Legislative session, the Maryland General Assembly passed the Electric System Planning - Scope and Funding Act (HB1393) to make system planning requirements more broadly applicable to "electric system planning" instead of specific to "electric distribution system planning", among other things. In addition, the scope of a Commission annual DSP report due to the General Assembly under PUA §7-802 starting on December 1, 2024, was modified under HB1393 to now require information regarding projects designed to promote the goals of the section in addition to requiring investment in demand-side methods and technology to improve reliability and efficiency, including virtual power plants. Due to the additional requirements in HB1393, the statutory deadline to establish distribution system planning regulations was extended from July 1, 2025, to December 1, 2025.

However, the Commission's efforts to implement a transparent electric system planning process that provides new opportunities for stakeholder participation and feedback predates these legislative initiatives. In 2021, in considering the product of the NARUC/NASEO Taskforce on electric distribution planning and the work of the PC44[1] workgroups, the Commission issued Order No. 89865 and launched the DSP Workgroup. The DSP Workgroup was initially tasked to review existing utility processes and determine how they align with the NARUC/NASEO Taskforce recommendations and where there may be opportunities for early and meaningful stakeholder engagement. Commission workgroup proceedings are open to all participants who wish to join and are intended to develop consensus proposals for the Commission, where possible.

[1] *See* PC44 Docket, In the Matter of Transforming Maryland's Electric Distribution Systems to Ensure that Electric Service is Customer-Centered, Affordable, Reliable, and Environmentally Sustainable in Maryland

The DSP Workgroup scope has expanded over time to include the requirements from SB0528(2022) and HB1393(2024) in addition to several Commission Orders[2] providing direction in response to DSP Workgroup reports. The new COMAR 20.50.15 Electric System Planning regulations were published in the Maryland Register on November 14, 2025 with an effective date of November 24, 2025. These regulations require an annual Technical Conference and Annual Plan Updates. In addition, the Commission has directed in Order No. 91799 that electric companies shall propose reliability standards for 2028 through 2031 by March 1, 2026 pursuant to COMAR 20.50.12.02D(8)10 for consideration during an August 2026 Technical Conference. The result is an integrated DSP process[3] that ensures that the Commission and stakeholders have insight and input into the ongoing incremental investments necessary to ensure delivery of electricity in Maryland in support of state policy goals. This is a significant milestone. While Maryland's electric utilities have always engaged in DSP planning resulting in system investments to provide safe, reliable, and affordable service, historically utility DSP processes have not been transparent and have provided suboptimal opportunities for consideration of stakeholder feedback in the plan development phase. Also, utility DSP plans will now be focused on specific state policy goals in addition to other requirements in SB0528(2022) and HB1393(2024). The Commission continues to meet the deadlines and fulfill the requirements in statute concerning Electric System Planning.

While the Commission is aligned with the general intent of SB 589 to improve the DSP process in pursuit of state policy goals and to also provide more transparency and opportunities for stakeholder input into DSP plans, the Commission offers recommendations for the Committee to consider. SB 589 substantially expands the requirements being contemplated in the current Commission process. While many areas within SB 589 are already being addressed in the current DSP Workgroup, SB 589 requires electric companies to develop and submit comprehensive Cost Containment Plans to the Public Service Commission. These plans must be approved by the Commission, thereby requiring fully litigated DSP cases for each utility. The Committee should consider allowing the Commission to approve goal targets for containing or tapering the rate of load growth without formally approving Cost Containment Plans. The Commission's additional resource requirements can be significantly reduced, or absorbed, when combined with current resource requirements for Electric System Plans pursuant to COMAR 20.50.15.04 which are currently not fully litigated.

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[2] *See* Order No. 90777 on Recommendations of Distribution System Planning Work Group, August 2023, Order No. 91256 on Recommendations of Distribution System Planning Work Group. Case No. 9665 in July 2024 and Order No. 91490 on Recommendations of Distribution System Planning Work Group in January 2025.

[3] As described by the Regulatory Assistance Project, Integrated DSP "is a process that systematically develops plans for the future of a distribution grid using inputs supplied by the electric utility, the Commission, and interested stakeholders. The planning process is integrated in the sense that all possible solutions to distribution system needs are considered. The objective of the final plan is a distribution system that operates for the public good, meeting the objectives set out by stakeholders in a cost-effective manner." Unlike traditional siloed distribution planning, Integrated DSP will look to the interconnected relationships of the PUA §7-802 policy goals to lead to more effective grid investments.

The Committee should consider allowing electric companies to be able to propose annual goals for containing or tapering the rate of load growth to the Commission, supported by an electric company analysis of cost-benefit and other impacts. The Commission should be allowed to make an informed and balanced decision on load growth containment initiatives rather than prescribing a goal that may be infeasible, and which may require customer compliance with frequent demand response requests, for which electric companies may be penalized for non-compliance.

Finally, allow the Commission to stagger the submission schedule for utilities with initial plans to begin in 2028 while integrating the new Cost Containment Plans into the Electric System Plans prescribed in COMAR 20.50.15 Electric System Planning. Enacting the bill as introduced will cause delays in the Electric Systems Planning process. The Commission is open to working with the bill sponsor to ensure changes to the Electric Systems Planning made by enacting SB 589 do not impede or delay the process currently underway. Instead of completely striking certain items from the bill, the Commission's suggestions aim to grant it the discretion to review electric company Cost Containment Plans and goal target proposals. This would allow the Commission to make final determinations regarding implementation details and the pace of improvements, while considering the inherent differences, individual circumstances, cost-benefit impacts, and available resources among investor-owned electric companies, electric cooperatives, and municipal electric utilities.

The Public Service Commission appreciates the opportunity to provide the Committee with this informational testimony. Please contact the Commission’s Director of Legislative Affairs, Niki Wiggins, if you have any questions.

Sincerely,

Kumar P. Barve
Chair, Maryland Public Service Commission

SB 598 - Electric Companies - Cost Containment Pla

Uploaded by: Tom Ballentine

Position: INFO

NAIOP
MARYLAND CHAPTERS
THE ASSOCIATION FOR COMMERCIAL REAL ESTATE

March 3, 2026

The Honorable Brian J. Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West Senate Office Building
Annapolis, Maryland 21401

INFO: SB 598 – Electric Companies Cost Containment

Dear Chair, Feldman, and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to offer informational testimony on SB 598.

Senate Bill 598 requires electric companies to develop cost containment plans that reduce peak electric system load by 20% from 2025 levels by 2030. The strategies that must be considered include alterations to commercial building mechanical equipment and operations by encouraging the adoption of energy-efficient electric equipment and participation in demand management programs. We request the committee consider the following points:

- The bill promotes "Grid Flexibility-Enabled Building Electrification and Efficiency," which involves replacing end-use equipment (e.g., for water heating, space heating, laundry, and industrial processes). Alteration of building mechanical equipment described in the bill may also require alteration of the building shell, air sealing, and insulation upgrades to be effective. The scope of building alterations may take longer than would be necessary for these strategies to meaningfully contribute to a 20% peak load reduction by 2030.
- The peak load reduction target would require historically high levels of participation in demand management programs and interruptible tariffs which reduce electricity consumption during peak demand hours by limiting energy use in ways that do not often align with the operational needs of commercial, industrial, and residential tenants.
- The bill does not require that the utility peak load containment will result in net cost reductions for customers after accounting for capital investments and utility costs.

Thank you for considering NAIOP's point of view on SB 598.

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Education, Energy, and the Environment Committee Members
Nick Manis – Manis, Canning Assoc.

U.S. Mail: 12 Francis Street, Annapolis, Maryland 21401 **Phone:** 410.977.2053 **Email:** tom.ballentine@naiop-md.org